

July 11, 2019

Climate Action Reserve
818 W. 7th Street,
Suite 710 Los Angeles, CA 90017

Via Electronic Submittal to policy@climateactionreserve.org

Dear Climate Action Reserve:

Thank you for the opportunity to comment on the Draft Forest Project Protocol Version 5.0. Finite Carbon is an active participant in the forest carbon offset market and is currently developing or managing 38 improved forest management projects on 2.8 million acres. We strongly support the Climate Action Reserve's efforts to reduce GHG emissions through a market-based program, including the use of high-quality carbon offsets.

We are appreciative of the Reserve's efforts to promote the importance of well-managed forests, which were highlighted in the recently released report by the UN Intergovernmental Panel on Climate Change (IPCC) as critical to climate change mitigation efforts. Forests are key to limiting average global temperature rise as they provide one of the only readily available, cost-effective means of directly removing and storing GHG emissions at scale, while also providing a host of additional benefits such as shading and cooling, water filtration and storage capacity, and the provision of wildlife and pollinator habitat.

We have included several comments below which we hope the Reserve will take into consideration as it continues its efforts to update its forest project protocol.

Support for the inclusion of land owned by Alaska Native Corporations in the definition of Tribal Lands

Finite Carbon developed the first carbon projects for Alaska Native Corporations to receive compliance offsets credits. Through these relationships we have seen firsthand how important revenue from offsets can be for these organizations and their Native shareholders, along with the impact it will have on future silvicultural management decisions.

We especially appreciate that the Climate Action Reserve has taken the time to carefully research the history and status of Alaska Native Corporations in order to clarify that these lands qualify as Tribal Lands under the definition of the protocol. This is evidence of the Reserve's care and diligence in the evolution of its voluntary protocols, as well as its willingness to engage in dialogue with its diverse stakeholders.

Support for the Protocol’s Treatment of Leakage

Finite supports the Reserve’s science-based approach to determining of leakage. We recognize there has been an unusual and recently discredited effort to manipulate the public perception surrounding leakage in order to unduly influence policy at both the Climate Action Reserve and the Air Resources Board. We applaud the Reserve’s commitment to using the best available science when making updates to its protocols. We likewise support further investigation into improving the best available research on leakage as the Reserve continues to update its protocols in the future. The integrity of all science, whether it relates to specific technical issues like leakage or climate change more broadly, requires institutions that maintain a steadfast commitment to scientific standards and transparency.

Small Landowner Accommodations

We appreciate the Reserve’s effort to reduce the cost burden for smaller landowners to participate in the program. The expense of development is one of the most significant impediments to long-term commitments by smaller landowners to improve management practices to maintain and increase carbon stocks. Moreover, the attention to addressing long-term expenses is critical to scaling participation by small landowners. The single greatest threat to the permanence of carbon projects is the expense associated with verifying permanence.

The adoption of a standardized baseline methodology is a welcome step to addressing what can be extraordinary expenses. Likewise, reducing the frequency of verification for landowners receiving less than 4,000 CRTs/year and the ability to pursue a desk review instead of a site visit in the event the landowner does not request CRTs.

While these improvements are all welcome changes, we believe there are still opportunities to address expenses related to inventories and site verifications. In the past 10 years, we have seen the costs of carbon inventories quintuple and the cost of verifications more than triple. We believe it would be beneficial for CAR to review the application of these current protocol requirements against a range of landowner profiles to continue to reduce expenses while maintaining the integrity of the resulting offsets.

We look forward to working with CARB on these important regulatory changes and are greatly appreciative of the support provided by the Climate Action Reserve. We thank you for your consideration and would be happy to answer any questions you may have.

Sincerely,



Sean Carney

President