

August 25, 2020

Climate Action Reserve
818 W. 7th Street, Suite 710
Los Angeles, CA 90017
Submitted via e-mail

Re: Soil Enrichment Protocol Second Public Comment Period

Dear Climate Action Reserve Staff:

We appreciate the Reserve's deliberate approach to protocol development. In response to earlier comments, the *Soil Enrichment Protocol Version 1.0 for Public Comment* (SEP) has been improved in many ways, and this second public comment period is a valuable opportunity to ultimately ensure impactful and credible outcomes. Our comments here are limited to the issue of additionality.

Section 3.4.1.1 PST – Negative List

- “In particular, data available at the time of protocol development indicate that no-tillage, reduced-tillage, cover crop adoption, rotational grazing and intensive grazing have high adoption rates in certain counties. These practices, when adopted in isolation on a given field (i.e., only one new eligible practice is adopted on the given field), will be considered to be on a *negative list* of activities that will be considered non-additional, and thus ineligible by default, when adopted in counties with an uptake rate of more than 50% of either total cropland area, or total pasture operations (for cropping or grazing respectively).”
- Natural Capital Partners advocates a lower common practice threshold, consistent with the Reserve's other protocols and with norms across offsetting practice. In the Reserve's Discussion Paper, *Standardized GHG Accounting for Soil Organic Carbon Accrual on Non-Forest Lands: Challenges and Opportunities*, dated September 23, 2019, the Reserve states the following:

Under a common practice approach, if a practice is undertaken by no more [than] a certain percentage of farmers in a particular region (commonly 5%) it can be treated as additional. A balance typically needs to be made between excluding some early adopters (often seen as unjustly penalizing critical early movers), as they may have implemented the activity without an offset motive, and rewarding laggards (those who “should have” already adopted the GHG-reducing practices, but for some reason have not).

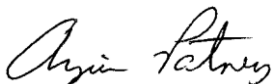
Carbon finance is ideally a means of encouraging innovative or nascent activities so that they might reach a tipping point, beyond which the support is no longer necessary for widespread adoption. It is difficult to argue that practices already implemented on half of croplands require carbon offsets to spur change. An underpinning of integrity, stringent additionality helps uphold the general legitimacy of offsetting as meaningful climate action.

Section 3.4.1.2 PST – Project-Specific Means to Demonstrate Additionality

- “2. *Demonstrating new tillage practices are still rotated with conventional tillage*: As an alternative to stacking multiple eligible practices, projects may submit a project-specific analysis to justify the additionality of fields that are implementing tillage activities that are on the *negative list*. Projects must base their methodology on regional data or circumstances, and/or local expert opinion. To use this option, projects must demonstrate that the given tillage practice, although prevalent in a given county, is typically rotated with conventional tillage, over short timespans (3 to 4 years) based on one of the following approaches:
 1. *The assessment must identify at least three actively-cultivated fields in the same county that have been rotating the given tillage practice with conventional tillage, with the individual acreage of each field being no less than the acreage of the project field in question; or*
 2. *The assessment must use remote sensing-based evidence to indicate that other fields in the county in which the subject field is located have undergone a rotation between the proposed tillage practice and conventional tillage.*
- Natural Capital Partners suggests that these project-specific approaches could too easily fall short of ensuring additionality. Three fields don’t necessarily compose a statistically valid sample size, and the remote sensing approach only requires identification of “other fields,” without specifying a minimum number or acreage. In neither case is it clear that the rotations have to have occurred within the past three to four years¹. However, the overriding issue is that neither approach is framed in a way that would prove that the county-wide long-term adoption rate is below the common practice threshold (which we still advocate should be lowered). A waiver of the threshold should be based only on evidence that it is wholly inaccurate; the proposed approaches are too open to non-representative examples.

Thank you for this second opportunity to contribute to improving the SEP. Please feel free to get in touch if you would like to further discuss any of our comments.

Kind regards,

A handwritten signature in black ink that reads "Arjun Patney".

Arjun Patney
Vice President, Global Markets

¹ Citation for the typical rotation timespan should be provided in section 10 “References.”