



RURAL COUNTY REPRESENTATIVES
OF CALIFORNIA

November 12, 2015

Ms. Shelby Livingston
Branch Chief, Climate Investments
California Air Resources Board
1001 I St.
Sacramento, CA 95812

RE: Cap-and-Trade Auction Proceeds Draft Second Investment Plan

Dear Ms. Livingston:

The Rural County Representatives of California (RCRC) is an association of thirty-four California counties and the RCRC Board of Directors is comprised of elected supervisors from each of those member counties. RCRC member counties are tasked with a variety of decision-making responsibilities related to land use and development in rural California communities and are challenged with environmental stewardship, economic vitality, and social equity at the local level. We appreciate this opportunity to comment on the Cap-and-Trade Auction Proceeds Draft Second Investment Plan (Plan).

RCRC appreciates the Plan's stated goal of increasing rural community participation in the State's climate mitigation efforts by providing more opportunities for those areas to receive Greenhouse Gas Reduction Fund (GGRF) monies in the 2016-17 through 2018-19 fiscal years. Rural communities currently face many challenges accessing GGRF monies due to the use of the CalEnviroScreen tool to identify disadvantaged communities (DACs) for distribution of cap-and-trade auction proceeds. We have long been opposed to the sole use of CalEnviroScreen to define DACs, particularly since Senate Bill 535 (De León) allows for a much broader definition of DACs. The use of CalEnviroScreen effectively denies twenty-nine rural counties any chance to see those earmarked funds used for projects benefiting their communities. Many of these counties contain forested communities that are considered DACs, some severely disadvantaged, under other widely-recognized definitions used by the State including the definition in Section 75005 of the Public Resources Code.

Rural communities also generally have fewer resources to compete against urban and suburban projects for the remaining funds not reserved for DACs, all but insuring that citizens living in rural California will receive little benefit from cap-and-trade proceeds in

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the near term. While additional rural funding programs won't solve the fundamental flaws in CalEnviroScreen, those opportunities will at least help insure that rural communities, whether socioeconomically disadvantaged or not, will have the opportunity to compete for GGRFs. RCRC would support further guidance in the final Plan to agencies on carving out portions of funds in future programs for rural communities to ensure enhanced rural funding opportunities in the next three fiscal years.

RCRC supports the enhanced funding focus on natural and working lands, particularly forest lands, and the attention to improving management and restoration activities on public and private lands to improve carbon sequestration and decrease wildfire risk. RCRC member counties contain much of California's forested lands including more than 70 percent of the State's federally managed forests. Due to decades of mismanagement of our forests, California has experienced increased forest fires both in terms of acreage and intensity over the years. This year alone, California has seen three major wildfire events - the Rough Fire, the Butte Fire, and the Valley Fire -- that burned more total acreage combined than the 2013 Rim Fire, a fire with estimated greenhouse gas emissions equivalent to 2.3 million cars.

Over the past several years, changing climate and severe drought conditions have exacerbated California's wildfire risk considerably and studies predict that wildfire emissions will increase by as much as twenty-four percent over 1961-1990 levels in the next thirty years.¹ We also know that the USDA Forest Service (USFS) now annually exhausts its entire fire suppression budget early in the fire season, forcing the agency to "borrow" funds from other programs such as forest management and fuels treatment to pay for fire suppression. RCRC supports the Plan's high prioritization of funding natural and working land management projects, and recommends a stronger emphasis on projects that work with the USFS to address the need restore national forest lands within California to more resilient conditions that will maximize their sequestration potential.

RCRC also supports funding projects for clean biomass and fuel production facilities located near forest feedstock. In order to properly manage California's forest lands including reducing open pile burning and other practices that contribute to carbon emissions, it is vital to establish a network of biomass facilities to utilize forest feedstock as a source of clean energy. We acknowledge the need for more facilities to utilize dead and dying trees and other sources of feedstock, particularly as we face the dire tree mortality issue currently facing many of our counties, and that several of the facilities currently in operation are in need of modernization to be more efficient. Biomass facilities represent a vital piece of the natural and working lands management puzzle, and we fully support funding new facilities and upgrading existing ones.

¹ Matthew D. Hurteau, Anthony L. Westerling, Christine Wiedinmyer, and Benjamin P. Bryant, "Projected Effects of Climate and Development on California Wildfire Emissions through 2100," *Environmental Science & Technology*. 2014, 48, 2298-2304 DOI: [dx.doi.org/10.1021/es4050133](https://doi.org/10.1021/es4050133)

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Additionally, RCRC strongly supports the draft investment concepts for organic waste diversion by investing GGRF funds for strategies that divert organic matter from landfills. Given the infrastructure needs already created by Assembly Bill 1826 (Chesbro, 2014), mandatory commercial organic waste diversion from landfills, significant investments to support the processing requirement will need to be made. The infrastructure necessary to process the diverted organics also produces by-products that can provide co-benefits to the Healthy Soils Initiative and Waste-to-Fuel alternatives. The proposed Draft Short-Lived Climate Pollutant Reduction Strategy only exacerbates the need for additional facilities by increasing the organics diversion goal prior to AB 1826 from being implemented.

If you should have any questions or would like to discuss our comments further, please contact me at (916) 447-4806 or sheaton@rcrcnet.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Staci Heaton", written in a cursive style.

STACI HEATON
Regulatory Affairs Advocate

cc: Mary Nichols, Chair, California Air Resources Board
RCRC Board of Directors