The Nature Conservancy
Protecting nature. Preserving life.™

The Nature Conservancy
New York State Office
195 New Karner Road
Suite 200
Albany, NY 12205

tel [518] 690.7850
fax [518] 869.2332
2nd fax [518] 869.2248
nature.org/newyork

March 12, 2009

RGGI Programs
NYSERDA
17 Columbia Circle
Albany, NY 12203-6399

Via email: rggiprograms@nyserda.org

Dear Sir or Madam:

Thank you for the opportunity to comment on the Draft Operating Plan for Investments in New York under the CO2 Budget Trading Program and the CO2 Allowance Auction Program (Draft Plan) which will guide use of funding generated by the Regional Greenhouse Gas Initiative (RGGI). The Nature Conservancy is pleased that New York State is working in collaboration with stakeholders to guide the use of this new source of revenue for environmental programs.

The Conservancy's lead scientists have identified climate change as the greatest long-term threat to our conservation mission—it threatens every investment we have ever made or will make. As you know, climate change is already affecting our lives and the places we live, and has the potential to dramatically impact the lives of future generations. The Conservancy is joining with policy makers, community members, businesses, scientists, industry leaders and others to slow the pace of climate change. Throughout the nation and globally, we are working to reduce the accumulation of heat-trapping gases in the atmosphere and help natural areas adjust to the impacts of climate change.

Climate Change Adaptation

Work is needed immediately throughout New York State to promote the need to plan for and develop and implement strategies that enable humans, plants, fish, animals and their habitats adapt to climate change. The Conservancy is disappointed at the small amount of funding dedicated to adaptation in the climate change in the "Climate Research and Analysis" portion of the Draft Plan. Only $9 million of the total $525 million budget was dedicated to Climate Research and Analysis, and adaptation research and pilot projects were just one of several initiatives slated to receive funding from that category. We do not believe the level of funding included in the Draft Plan is sufficient to implement adaptation strategies, or even effective pilot or demonstration projects for such strategies.

The potential for a successful program that protects people and nature from the impacts of climate change is already possible through work already underway or completed by The Nature Conservancy and other state and non-governmental entities. First, the New York State Sea Level Rise Task Force (established by Chapter 613 of the Laws of 2007) is currently working to evaluate ways of protecting New York's remaining coastal ecosystems and natural habitats, and increasing coastal community resilience in the face of sea level rise, applying the best available science as to sea level rise and its anticipated impacts. Sarah Newkirk of our Long Island Chapter is serving on this task force. The law states that the Task Force shall make recommendations regarding adaptive measures which may be taken to respond to sea level rise. NYSERDA should utilize this and other information from the Sea Level Rise Task Force to help assess the impacts of climate change in New York and what adaptation strategies may be viable. Implementation of the Task Force's recommendations will be critical, and funding from RGGI proceeds should be made available for this.

The Nature Conservancy is working throughout New York State on climate change adaptation. On Long Island, we are partnering with public, private, academic and not-for-profit institutions to develop ecosystem-based management tools for marine systems. TNC is collecting data from various sources, integrating the components into a spatially-explicit framework for use in decision-making, and providing training and technical support for the local and state government agencies that will make use of the tool. This coastal resilience project will deliver decision support tools including an interactive map server and set of alternative future scenarios that will help decision makers keep the environment and public safety in mind as sea levels rise and coastal hazards increase. Specifically, this tool will help stakeholders visualize and understand how they can make informed decisions about marine conservation, land protection, and coastal development and to enable local and state decision makers to use the information in their planning, zoning, acquisition and permitting decisions. (For more information, see the attached fact sheet.)

In New York's Hudson Valley, The Nature Conservancy is working on a project called Rising Waters. Rising Waters is a collaborative planning effort designed to highlight all of the interests that will be affected by climate change and find solutions that will protect both people and the environment. Through the use of alternative-future scenarios to translate the uncertainty and vast scale of climate change into something different interests can think about productively. The strategies developed through Rising Waters can be translated in the future to planning practices and policies that will help natural systems adapt to climate change. (For more information, see the attached fact sheet.)

The Conservancy is hopeful that as climate change adaptation strategies are identified, the Operating Plan will be amended so that additional RGGI proceed revenue will be used for not only research and education but also the implementation of critical adaptation strategies.

Biomass and Forestry

The Conservancy supports the intent to only allow for sustainably harvested woody and herbaceous fuel sources to be used for biomass energy production. This is based on the clear relationship between burning biomass and re-growing sufficient forest to capture what

has been cut for this purpose. It is important to ensure materials are sustainably harvested in order to prevent environmental harm that could undermine the intended carbon benefits and cause additional harm to biodiversity protection and other environmental goals. We caution the promotion of biomass as mentioned in section 5.B.1 of the Draft Plan, and urge research regarding the "capacity of the forest to supply woody biomass as a sustainable, renewable fuel" as included in the Concept Paper used to guide the development of the Draft Plan.[1]

For more than a decade, the Conservancy has been working to reduce heat-trapping emissions by implementing offsets project that protect and restore forests and grasslands. Today, through offsets projects covering more than two million acres in Belize, Bolivia, Brazil and the U.S., the Conservancy estimates that over 40 years, the protection and restoration of these largely forested areas will provide a climate benefit, having reduced 17.5 million tons of CO2.

Forests and grasslands in New York State play an integral role in absorbing carbon and thus mitigating carbon emissions. Trees and plants take up carbon dioxide – the major greenhouse gas – and store the carbon in leaves, branches, trunks, stems, and roots. In addition to reducing carbon emissions, protecting terrestrial ecosystems provide other environmental benefits such as water quality protection and habitat conservation.

New York is covered by over 45% private forests and only slightly more than 10% of the state is developed[2]. Currently, it is estimated that forests, agriculture lands sequester over 65 $MMTCO_2e$ in New York State, which is only slightly less than the roughly 74 $MMTCO_2e$ that was emitted in 2005 by all transportation sources in New York State[3]. Yet, land use change and the cultivation of organic soils[4] result in net carbon emissions of around 0.6 $MMTCO_2e$[5] due largely to the impact of development on forest land. Thus the amount of this valuable carbon sink is shrinking and actions must be taken to maintain this essential service that this resource provides. Protecting the remaining forest lands in New York is extremely important component in providing a carbon sink and thus mitigating climate change, and the Draft Plan should dedicated revenue for this purpose.

Terrestrial Sequestration

The Nature Conservancy is interested in the study of terrestrial sequestration of carbon dioxide as included in the Draft Plan, however we caution that further assessment is needed to quantify the greenhouse gas impacts associated with terrestrial sequestration in New York. The Nature Conservancy has recently completed a report, "Terrestrial Carbon Sequestration in the Northeast: Quantities and Costs."

---

[1] Concept paper p. 12

[2] USDA-NRCS, 2000

[3] http://www.eia.doe.gov/oiaf/1605/state/excel/NY_05_details.xls

[4] Organic soils (often called histosols) are peat or much soils created under former wetlands. Cultivating them aerates and warms them, creating carbon decomposition and CO_2 emissions.

[5] Sampson, R. Neil and Kamp, Matthew H. (March 2007). *Part 2: Recent Trends in Sinks and Sources of Carbon* in *Terrestrial Carbon Sequestration in the Northeast: Quantities and Costs*. **The Nature Conservancy, The Sampson Group, Winrock International, and Ohio State University**: Arlington, Va. DE-FC26-01NT41151. http://conserveonline.org/workspaces/necarbonproject

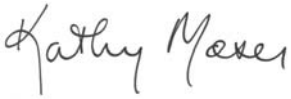
The findings from this study provide a comprehensive look at the magnitudes, costs, and locations of opportunities to reduce emissions and sequester carbon through a variety of land-use activities in the Northeast region. The study area included CT, DE, ME, MA, NH, NJ, NY, RI, VT, MD and PA. The products from the project include maps of where and how many carbon credits could be created from through improvements in land-use practices, and the corresponding costs of creating that carbon.

We have created a web accessible site where a copy of the Summary for Policy Makers, the complete report and other project documents can be viewed and downloaded. To access the project documents, go to http://conserveonline.org/workspaces/necarbonproject. Final report documents are in the folder labeled as such. Parts of the report can be downloaded individually or a copy of the entire report is available for download as well.

NYSERDA should use this report as a basis of information for work on terrestrial sequestration, and conduct additional research and analysis about the feasibility of new programs that would aim to improved forest management practices that specifically aim to increase sequestered carbon. Such programs would not necessarily require the rigor of offset types of projects, but more general monitoring and measuring could take place to verify the goals of the program are being met. The Draft Plan seems to focus more on injection of carbon dioxide into geologic formations rather than land-use changes. We suggest some of the $15 million included in the budget for sequestration work be dedicated to projects related to land use activities.

Thank you again for the opportunity to comment on the Draft Plan.

Sincerely,



Kathy Moser
Deputy State Director for Conservation