

**TESTIMONY OF LOUIS BLUMBERG, DIRECTOR, CALIFORNIA CLIMATE CHANGE PROGRAM,
THE NATURE CONSERVANCY BEFORE SENATE ENVIRONMENTAL QUALITY COMMITTEE AND
SENATE SELECT COMMITTEE ON CLIMATE CHANGE AND AB32 IMPLEMENTATION, “THINKING
GLOBALLY, ACTING LOCALLY: THE PARIS CLIMATE ACCORD AND WHAT IT MEANS FOR
CALIFORNIA’S CLIMATE INVESTMENTS.” SACRAMENTO, CA. FEBRUARY 3, 2016**

The Nature Conservancy is pleased that the Second Investment Plan continues to recognize the important and unique role that investments in natural and working lands play in helping the state meet its climate goals. We call this Natural Climate Solution, encompassing forests, grasslands, wetlands, agricultural land and urban green space. The conservation and restoration of the state’s natural and working lands is well integrated into California’s comprehensive and extensive climate law, policy, plans and goals including the Greenhouse Gas Reduction Fund (GGRF). The importance of funding this sector as an effective climate strategy was established previously in SB 1532, the First Investment Plan and affirmed in the past three state budgets.

I have four key points:

1. Natural Climate Solutions provide significant opportunities for even greater reductions through increased funding in a three-year appropriation,
2. Timely development of an accounting framework for the sector is needed to achieve this result
3. Greater emphasis on the climate resilience benefits Natural Climate Solutions produce will help protect California’s communities from climate impacts and increase the durability of the reductions
4. By fully integrating natural and working land into AB 32 and adding tropical forest protection into its program, California can stimulate implementation of the Global Climate Accord.

Recommendation 1: Given the unique role of natural and working lands in achieving our climate goals, significantly more GGRF funds should be invested in this sector through a three year appropriation

Significant investments in Natural Climate Solutions will generate important Greenhouse Gas (GHG) reductions for AB 32 implementation. Investments in this sector are unique because natural and working lands are the only GHG reduction tool that actually *removes* greenhouse gases from the atmosphere; and the benefits they produce will *increase* over time as carbon

continues to be absorbed into trees and other ecosystems. This increased sequestration role is critical for California to meet its long term emission reduction levels for 2030 and 2050.

Recognizing this opportunity, in his last inaugural address, Governor Brown identified natural and working lands as one of his essential five pillars needed to meet the State's long-term GHG reduction goals. Given that there are significant opportunities for additional reductions from this sector, we recommend that a substantially greater and sustained amount of funds be dedicated to natural and working lands. Roughly *eight* percent of the overall GGRF was dedicated to natural and working lands in the 2014-2015 fiscal year and *no funds* for the 2015-2016 fiscal year have been released. This insecurity in funding creates challenges for advancing significant and meaningful reductions in this sector. A three-year appropriation and funding plan would result in a more effective and efficient program and would be consistent with the time frame of the Investment Plan established in SB 1532.

Recommendation 2: California should accelerate work developing a cohesive accounting framework that takes into account different scales - from state, to region, to landowner with a clear and immediate timeline.

Additional planning and analysis will support a needed accounting work for a host of activities and will help contextualize ongoing discussions related to forest health, uncharacteristically large wildfire and biomass energy. And, it will allow the state to be even more strategic with investments and optimize GHG reductions alongside other benefits. This assessment should include the completion of the statewide carbon inventory and development of a statewide GHG baseline scenario for natural and working lands, as well as a spatial assessment across the state to identify opportunities for avoiding emissions and increasing carbon sequestration. This would enable the State to identify the greatest need or opportunities for GHG reductions in a systematic and cohesive manner. The spatial assessment also provides the basis for layering other data that could inform strategic investments that not only reduce emissions, but also enhance climate resilience, water and air quality, habitat and recreation among other benefits.

Recommendation 3: Criteria for investment of funds in the Greenhouse Gas Reduction Fund should prioritize both climate resilience and nature-based activities

The Second Investment Plan and related investments in the natural resources sector also support the state's priority to enhance the resilience of natural resources and human communities. This priority is well-established in the new climate adaptation policy platform created by passage of three bills by the Legislature last session including SB 246 authored by Chairman Wieckowski. The importance of resilience and its link to reductions is also well articulated in the Environmental Goals and Policy Report (released last month) and the Safeguarding California Plan.

California is already experiencing impacts from climate change and will continue to do so for centuries. Investments should, therefore, give priority to GHG reduction projects that also

enhance climate resilience and promote ecological function in the face of external stresses imposed by climate change. We recommend that the investment plan require that expenditures evaluate the potential affects from climate change over time to ensure durable reductions and increase resilience to climate impacts. Such consideration is consistent with the direction to state agencies to consider climate in their planning and investments in Executive Order B-30-15 (http://gov.ca.gov/docs/4.1.15_Executive_Order.pdf), as well as AB 1532 (referenced on page 21 of Draft Investment Plan) and also goal D “*Maximizing Co-Benefits to Public Health, the Environment, and the Economy*” (page 4).

Natural Climate Solutions are a powerful tool to address climate change and in many instances can provide GHG reduction benefits, increased carbon sequestration while simultaneously reducing climate risk and enhancing resilience. And, in addition to enhancing resilience to escalating, climate-magnified impacts, and generating GHG reductions; investments in the natural resource sector provide a suite of additional benefits to people and the environment. These include water supply and quality, high heat reduction in cities, food security, habitat for fish and wildlife, recreational opportunities and more.

1. **Recommendation 4: California can stimulate implementation of the Global Climate Accord by fully integrating natural and working lands into AB 32 and adding tropical forest protection into its program.**

California’s action in the natural resource sector is well aligned and integrated with the recent UN global climate accord, and can contribute to its success in many ways. For example, the global accord includes an aspirational carbon neutrality goal that emissions be balanced by sinks (forests and other ecosystems) by the second half of the century. This provision underscores the reality that we will not be able to meet the global climate goal of keeping warming below 1.5 degrees Celsius (or even 2 degrees Celsius) without fully engaging the land sector both to avoid emissions and increase sequestration. This reality is true in California as well.

In Article 5, the global accord calls on countries to conserve and enhance sinks and reservoirs of greenhouse gas by reducing emissions from deforestation and forest degradation. This article is an important recognition that land and other ecosystems are key to addressing climate change and effectively enshrines the policy that land conservation is important for all countries. And, when the global accord was approved in Paris, more than 120 countries including 12 tropical forest states had included the natural and working land sector in their emission reduction pledges, called “Nationally Determined Contributions”, the essential mechanism for action. The link between climate action and land protections is well established in the accord.

California can facilitate implementation of the global accord in this area by continuing to act as a Proof -Of-Concept model for countries around the world by fully integrating natural and working lands into its climate program through the assessment and actions recommended above, by increased funding for the sector through the GGRF and by adding sectoral based

crediting into AB 32 to protect tropical forests. In so doing, California will demonstrate how natural and working lands can generate benefits to the atmosphere, build resilient ecosystems, and enhance community well-being and public health and safety.

A second way California can contribute to the success of the global agreement is by more action with its existing network of global partners including, especially those in the Under Two MOU. The Paris Agreement calls for regional cooperation and will be implemented across the globe from the bottom up. California's well-recognized global leadership can demonstrate how partners can engage effectively and efficiently. If the right opportunities are not realized, the needed reductions will not likely happen. Partnerships like the Under Two MOU, the linked Cap and Trade program between California and Quebec, and its MOUs with Mexico and states in the Amazon will catalyze GHG reductions, help protect the rain forest and forest-dependent communities and support partnerships for regional cooperation including potential new markets.

Conclusion:

Overall, The Nature Conservancy supports the Second Investment Plan as an important addition to the state's efforts to address climate change and for its recognition of the vital role natural and working lands must play in any climate change solution. And, we thank you Chair Pavley and Chair Wieckowski for convening this hearing and inviting us to participate. We look forward to working with the Legislature and the administration to implement our recommendations and to help secure even greater GHG benefits from the natural resources sector and enhance the resilience of human and natural communities across all California. Timing matters – accelerating work on the natural resources sector for the next Scoping Plan can produce meaningful GHG reduction targets. The time to start investing in natural climate solutions is now, if we are to see tangible benefits in the future.