

Aug. 28, 2014

Cap & Trade and SRA Fee Stakeholder Conference Notes

- The purpose of today's conference call was to discuss CAL FIRE's one-time SRA Fee grants, and the Cap and Trade (also known as Green House Gas Reduction) programs.
- CAL FIRE plans to open the SRA grant and Cap and Trade grant application process in early October.
- The Department expects that most of the \$42 million of Cap and Trade funds will be expended through grants.
- All Cap and Trade grant projects must further the objectives of AB 32: <http://www.arb.ca.gov/cc/ab32/ab32.htm> , specifically, projects must reduce greenhouse gas emissions and increase carbon sequestration.
- For both the C and Trade and SRA Fee grants, CAL FIRE is developing a two-phased application process, consisting of an initial **concept proposal**, which if approved, will be followed by submission of a **grant application**. Both the C and Trade and SRA Fee grants are new, so the purposed of the concept proposal is to assist all prospective applicants in being successful with their application.
- The concept proposals will also be used to ensure that SRA funded and Cap and Trade fuel reduction grants are tied to Unit Fire plans, and that Cap and Trade grants meet Green House Gas reduction benefits.
- Since the Cap and Trade grants uniquely target forested landscapes and require forest carbon calculations, the services of a non-CAL FIRE Registered Professional Forester will be required as part of the grant application process.

- The Department is finalizing process guidelines for both the Cap and Trade and SRA Fee grant programs.
- We plan to put out information for both the programs on our website (www.fire.ca.gov) in the very near future. We expect that advertisement for Urban Forestry and Forest Legacy projects will be advertised first with the rest to follow shortly thereafter.
- Since both the SRA Fee and Cap and Trade grant projects involve the use of state funds, any projects with ground disturbing work cannot begin until the CEQA requirements have been satisfied.
- As previously stated, all Cap and Trade grant projects must further the objectives of AB 32; specifically, applicants must demonstrate that implementing the project will reduce greenhouse gas emissions and sequester carbon. No such requirement shall apply to SRA Fee grant projects.
- Both Cap and Trade and SRA Fee funded fuels reduction grant projects must be consistent with the Department's Statewide Fire Plan, Unit Fire Plans, and Community Wildfire Protection Plans.
- Laws governing existing programs shall still apply, such as the Forest Legacy statute, the California Urban Forestry Act, the California Forest Improvement Act, and the Fire Prevention Fee law.
- All applications for available grants will be submitted to the CAL FIRE Grants Unit in Sacramento, regardless of criteria.
- As the details are finalized, we will be hosting workshops and/or webinars throughout the state to assist applicants through the process.

Deputy Director for Resource Management, Duane Shintaku then walked through the following program specifics:

Cap and Trade

Each of these programs will be funded from the Greenhouse Gas Reduction Fund. The Greenhouse Gas Reduction Fund (GGRF) was established in 2012 by AB 1532, SB 535, and SB 1018. The GGRF receives Cap and Trade auction proceeds and the requirements of each of CAL FIRE's Cap and Trade projects must be able to demonstrate GHG benefits and net carbon sequestration. CAL FIRE intends to focus on projects that will clearly result in healthy forests by implementing sound silvicultural principles.

1. Urban Forestry (\$17.8M dollars)

Urban forestry grants will be funded out of Cap and Trade dollars and are designed to help communities create or implement multi-benefit projects with a focus on reducing greenhouse gas emissions. Eligible applicants for most grants would include local governments (cities, counties, qualifying districts) and non-profit organizations.

The project area must be located in an urban area or immediately adjacent to an urban area. CAL FIRE will use CalEnviroScreen (version 2.0) to target disadvantaged communities as required by this year's Budget Act.

A common grant for Urban Forestry dollars includes the planting of trees that will be cultured and maintained for at least 40 or more years, and provide aesthetics, carbon sequestration and reduction in local energy needs.

Because this program currently exists, the application period for Urban Forestry grants under Cap and Trade will open in September.

2. Cap & Trade Fuel Reduction (\$8.4M dollars)

The main objective of the Cap and Trade fuel reduction grant is to include stabilizing or increasing the carbon stored in healthy trees remaining after hazardous fuels are removed. A secondary objective is to improve long term forest health in order to increase fire and climate change resiliency.

Funds will be allocated through a grant program which will be implemented in early October. Units, Regions and Program will be responsible for reviewing proposals for consistency with Unit Fire Plans, and to ensure there isn't duplication of efforts

3. Reforestation (\$4.8M dollars)

The main objective of the Reforestation Cap and Trade grant will be to help landowners reforest their properties, especially after catastrophic wildfire, or land that has been ravaged in the past by other injurious agents.

CAL FIRE will be partnering with the California Association of Resource Conservation Districts to deliver this program under the existing California Forest Improvement Program (CFIP).

Grants will also be available to help landowners prepare forest management plans, and to hire RPFs to provide supervision for site preparation and tree planting.

This grant will probably be rolled out in early October. Units, Regions and Program will be responsible for reviewing proposals for consistency with Unit Fire Plans, and to ensure there isn't duplication of efforts

4. Pest Control (\$1.5M dollars)

Pest Control Cap and Trade grants for the purpose of eradicating the impacts from insects or disease.

These grants may be useful in controlling outbreaks of Sudden Oak Death, bark beetle, and Gold Spotted Oak Borers.

This grant can be combined with reforestation services to help restore replant trees, and use the removed infected trees for bioenergy when practicable.

This grant should also be rolled out in early October. Units, Regions and Program will be responsible for reviewing proposals for merit and leveraging opportunities.

5. State Forests Research (\$2.3M dollars)

State Forest Research will be funded using Cap and Trade dollars, but be expended through contracts with Universities or other partners who are already engaged in similar research projects.

CAL FIRE's Demonstration State Forests will develop a two-pronged program aimed at first increasing carbon sequestration capability on the State Forest lands, and secondly funding research projects.

CAL FIRE will also work cooperatively with the Air Resources Board to develop a research program focused on forest management practices aimed at greenhouse gas emissions reduction.

6. Conservation Easements (\$4.2M dollars)

Conservation easements will be purchased through CAL FIRE's existing Forest Legacy Program using Cap and Trade dollars.

The purpose of this grant is to help maintain working forests and to protect forestland threatened with imminent conversion to non-forest uses, such as subdivisions or vineyard development.

7. Forest Practice (\$1.2M dollars)

The goal of this program is to use Cap and Trade dollars to assist non-industrial timberland owners prepare expensive Programmatic Timberland Environmental Impact Reports.

PTEIRs provide the basis for environmental analysis, and also provide the coverage for timberland owners to implement projects that will reduce the hazardous fuels from their timberland.

Chief of Planning and Risk Analysis, Dean Cromwell, then discussed the SRA Fund grants:

1. SRA Fee, Fire Prevention Grants.

This year's Budget Act included a one-time appropriation of \$10M dollars. \$9.5 dollars are available for distribution this fiscal year.

The purpose of these grants is to encourage prudent fire prevention activities in SRA where the effects of the drought have increased the danger to life and property. The grants are aimed at reducing the threat of wildfire and the negative impacts on habitable structures in SRA should wildfire occur. Thus it is expected that grants mostly will be focused on Wildland Urban Interface (WUI) areas.

Eligible grantees are likely to include local government entities and NGO's such as fire districts, community services districts, water districts, special districts, nonprofit organizations, Fire Safe Councils, and local Conservation Corps.

Projects include, but are not limited to, those related to fuel hazard reduction, fire prevention education, and fire prevention training and planning on lands within SRA.

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