



City of Long Beach
Working Together to Serve

Office of Gerrie Schipske, R.N.P., J.D.
Councilwoman, Fifth District
Memorandum

R-11

Date: August 14, 2012

To: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

From: Councilwoman Gerrie Schipske, Fifth District *GS*
Councilmember Robert Garcia, First District *RG*
Councilmember James Johnson, Seventh District *JJ*

Subject: **AGENDA ITEM:** Exploration of Selling City's "Urban Forest" Carbon Credits in Exchange for Funding of City and Park Maintenance Program for 390,000 Trees

DISCUSSION: The California Global Warming Solutions Act of 2006 (AB32) requires a reduction in GHG emissions to 1990 levels by 2020. This amounts to a reduction of 173 Mt (million metric tons) from the predicted level in 2020. Businesses such as utilities, refineries and oil companies will be searching to buy carbon credits to offset pollution caused by their operations.

As the US Forest Service site on "Urban Forests and Climate Change" (<http://www.fs.fed.us/ccrc/topics/urban-forests/>) notes: "Urban forests have a role to play in reducing levels of carbon dioxide and other greenhouse gases (GHG) in the atmosphere. Urban trees reduce atmospheric carbon dioxide (CO₂) through sequestration and reducing GHG emissions by conserving energy used for space heating and cooling. Carbon sequestration is the process by which CO₂ is transformed into above- and belowground biomass and stored as carbon. During photosynthesis, atmospheric CO₂ enters the leaf through stomata, combines with water, and is converted into cellulose, sugars, and other materials in a chemical reaction catalyzed by sunlight. Most of these materials become fixed as wood, although some are respired back as CO₂ or used to make leaves that are eventually shed by the tree."

A protocol designating "urban forest projects" eligible to be registered with California Climate Action Registry (transitioned to the Climate Registry in 2010 - <http://www.theclimateregistry.org/>) was first adopted by the California Air Resources Board and the California Climate Action Registry (CCAR) in 2008 and was updated by the Climate Action Reserve (CAR) in March 2010 and October 2011 (<http://www.arb.ca.gov/regact/2010/capandtrade10/copurbanforestfin.pdf>) . Key elements of the protocol are outlined in a new Protocol Summary.

Urban forest projects anywhere in the U.S. can follow the new protocol and be reported to Climate Action Reserve, which will register and serialize GHG reductions after independent verification. If these offsets are sold or retired, the Climate Action Reserve will track their transaction.

HONORABLE MAYOR AND CITY COUNCIL

Exploration of Selling Carbon Credits from City Urban Forest to Fund Tree Maintenance
Councilwoman Gerrie Schipske, Fifth District

August 14, 2012

Page 2

The market for these carbon credits has already been developed. There are a number of companies which buy and sell these carbon credits, such as Elements

Markets: <http://www.elementmarkets.com/california-ab-32.php> and InterContinental Exchange: <https://www.theice.com/ccx.jhtml>

Long Beach's Urban Forest

The City of Long Beach prides itself on being a "Tree City." This title is a result of the City planting and maintaining over 393,000 trees: 93,000 in medians and parking strips (the areas between sidewalks and streets in residential neighborhoods) and an estimated 250,000 to 300,000 trees in City parks.

The estimated cost of maintaining these trees is \$2.5 million annually for non-park trees and a considerably higher amount to maintain park trees. This figure does not include repairing the damage these trees do to residential sidewalks.

By selling the carbon credits produced by the City's 393,000 trees, it is conceivable the City could generate revenues that could be utilized to offset general fund expenditures on tree maintenance. However, the details and feasibility of this effort need to be thoroughly explored.

RECOMMENDATION:

By motion of the City Council, the issue of selling carbon credits produced by the City's Urban Forest is forwarded to the: City Manager's Office of Sustainability, the Sustainability Commission and the Parks and Recreation Commission for study on the feasibility of this effort with a request that findings be reported back to the City Council.