

Carbon Farming Task Force

MINUTES

Tuesday, May 22, 2018: 9:03 am to 11:55 AM
Office of Planning, 6th Floor Conference Room
Leiopapa A Kamehameha Building
235 S. Beretania Street, Honolulu, Hawaii 96813

ATTENDANCE

- Members / Alternates Present: Leo Asuncion, Jamie Barton (Alternate), Susan Crow, Jonathan Deenik, Scott Glenn, Tyler Jones (Alternate), Philipp LaHaela Walter, Rep. Chris Lee, Ashley Lukens, Michael Madsen, Robert “Rocky” Mould (Alternate), Malia Nanbara (Alternate), Kahi Pacarro, Joshua Silva (Alternate), David Smith, Ben Sullivan, Earl Yamamoto and Kenneth Yamamura (Alternate)
- Members / Alternates Excused: Sen. Mike Gabbard, Diane Ley, Josh Stanbro, Stephanie “Stevie” Whalen and Ron Whitmore (Alternate)
- Office of Planning Staff: Sandy Ma
- Other Present: Danielle Bass (OP), Mathilde Duvallet (UH Mānoa), Joshua Ferrer-Lozano (City and County of Honolulu Office of Climate Change, Sustainability, and Resiliency), Julius Fischer (Hawaii Green Growth), Nick Henner (City and County of Honolulu Office of Climate Change, Sustainability, and Resiliency), Anu Hittle (DNLR), Hannah Hubanks (UH Mānoa), Aki Marceau (Elemental Excelerator), Jamila Jarmon (Elemental Excelerator), Jody Kaulukukui (The Nature Conservancy), Casey McGrath (UH Mānoa), Rep. Angus McKelvey (Hawaii House of Representatives District 10 – Maui), Stephanie Mock (Oahu RC&D), Molly Morgan (City and County of Honolulu Office of Climate Change, Sustainability, and Resiliency), Rock Riggs (Office of Sen. Mike Gabbard), Dale Sandlin (Hawaii Cattlemen’s Association), Jerrod Schreck (A&B), and Bruce Tsuchida (Townscape)

DISTRIBUTED MATERIAL

- Carbon Farming Task Force Meeting Agenda for May 22, 2018
- Draft Minutes for January 30, 2018 Carbon Farming Task Force Meeting
- Brochure Produced by Hawaii Center for Food Safety “Regenerating Soil” dated May 2018 introduced by Member Lukens
- HB 2182 CD 1
- HB 1986 CD 1

I. Call to Order

Chair Leo Asuncion called the meeting to order at 9:03 am and welcomed everyone. Chair Asuncion announced there was quorum to start the meeting. The Task Force’s

May 22, 2018 meeting notice was published on April 24, 2018, according to public meeting notice requirements. The Task Force has 16 members and there are at least 9 members present for quorum to start the meeting.

II. Welcoming Remarks

Chair Asuncion announced that Rep. Lee will provide some welcoming remarks.

Rep. Lee stated that there was a lot of focus on carbon during the 2018 Legislative Session and around the world, looking at how to leverage that into local benefits for the economy and communities and how Hawaii can take the next steps forward which was the purpose of the Task Force. The Legislature passed HB 2182, which sets the Task Force's long-term trajectory and investment opportunities with carbon markets. The Legislature also passed HB 1986 which directs Office of Planning (OP) and the Task Force to establish a carbon credit program, how that would look like and how that would work. Rep. Lee stated that he had received outreach from people in bond markets, looking at making Hawaii the centerpiece for bond financing for carbon sequestration related projects. Rep. Lee reported that the Legislature has had preliminary talks with California to discuss resource sharing. Rep. Lee also reported with HB 2182 that all members of the Task Force are now subject to Senate confirmation, which was not intentional, so the Legislature will work to fix this during the next session.

Rep. McKelvey stated that Maui is subject to Sea Level Rise effects right now. Maui supports the work of the Task Force. Rep. McKelvey is interested in carbon credits and carbon farming synergizing agriculture.

Chair Asuncion thanked Rep. Lee and Rep. McKelvey for their support.

III. Introduction of Task Force Members and Alternates and All Attendees

Task Force members and attendees introduced themselves.

IV. Review and Approval of the January 30, 2018 Meeting Minutes

Chair Asuncion reminded Task Force members that the draft minutes of the January 30, 2018 meeting were distributed on March 1, 2018 and also published on the Task Force website pursuant to Sunshine Law requirements. Additionally, copies were made available at the May 22, 2018 meeting. Members were given time to review the draft minutes of the January 30, 2018 meeting and then approve or adopt the minutes from January 30, 2018.

A motion to approve the draft minutes from the January 30, 2018 meeting as circulated was made and seconded. There was no other discussion. Chair Asuncion announced if there were any errors in the minutes that people notice, then they may bring to our

attention and we can still amend the adopted minutes. All members present voted in favor of adopting the draft minutes from the January 30, 2018 meeting and there were no members voting nay. The draft minutes from the January 30, 2018 meeting are therefore approved and adopted.

V. Public Comments

No public comments.

VI. Report on Status of Hawaii Farmers

Member Jones's Power Point Presentation on Status of Hawaii Farmers may be found on the Task Force [website](#). Member Jones is the Maunawili Research Station Manager for Hawaii Agriculture Research Center and one of the alternates for Member Whalen. Member Jones's presentation focuses on the following topics:

1. acres in active agriculture;
2. average size of farms;
3. average size of large farms;
4. how Hawaii farms compare with mainland farms;
5. particular incentives that would benefit farmers in terms of carbon sequestration and soil health; and
6. any laws that are particularly onerous to farmers in terms of soil health.

Member Jones's credits the Statewide Agricultural Land Use Baseline (2015) in preparing his presentation. Agricultural Land Use has changed over the last 30 years. Sugarcane production has decreased and has almost entirely ceased. Pasture has decreased from 1.1 million acres to approx. 700,000 acres. Coffee has increased from 3,000 acres to 10,000 acres. Macadamia nut production has grown an extra 10,000 acres. Seed industry was non-existent 30 years ago and now occupies about 25,000 acres. The final large agricultural land use is commercial forestry, which is primarily on the Hamakua coast on the Big Island where there is the Eucalyptus plantation on Kamehameha Schools Land and on Kauai which is another approx. 3,000 acres of Eucalyptus farm for bioenergy. These are the large agriculture (ag.) crops for carbon sequestration in Hawaii.

If ranching and pasture lands are included with ag., you cannot even see the amount of acreage the other crops utilize. Therefore, the vast majority of Hawaii ag. land is being used for pasture. The acreage is all about pasture / ranching. This is bulk of where our ag. is being used.

If ranching / pasture and sugar (because we do not have sugar production any more) are removed from ag. uses, then we have commercial forestry, seed production, macadamia nuts, diversified crops, and coffee.

There are 7,000 farms (including ranches and gentlemen estates) per the 2012 USDA Census Data. The average farm size in Hawaii is 160 acres and average farm in US is 230 acres but these are misleading figures. The typical farm size in Hawaii when translated to the median farm size in Hawaii is 5 acres so 3,500 farms are less than 5 acres. In the US, the median farm size is 45 acres. Of the 7,000 farms almost all are less than 500 acres. There are 127 farms in Hawaii that are over 1,000 acres and those are predominantly ranches.

If looking by revenue, 70%-75% of the farms (including ranches and gentlemen estates) are reporting less than \$20,000 in annual revenue (not profit); there are less than 10% of farms with over \$100,000 in annual revenue.

The Task Force cannot measure carbon sequestration directly, at least currently, because it is cost prohibitive. Other places are looking at proxies for carbon sequestration, i.e., management practices that have been shown to increase carbon in soils. To do this, you have to assign carbon value to best management practices and go to individual farms and verify that these practices have been installed. That requires coming up with how much these practices are worth and certifying that the practices are being adopted. The administrative costs are going to be a significant hurdle for the small farms in Hawaii so the State needs to determine what are the break-even costs for the small farms in Hawaii to participate in any certification program.

Thus, the low hanging fruit for where the State can sequester carbon is obviously ranching, macadamia nuts, and commercial forestry because they have the most acreage. USDA Natural Resource Conservation Service (NRCS) certifies conservation practices but NRCS has adjusted gross income limits of \$900,000 which will preclude large ranches with the most acreage and can affect the most change from participating in NRCS practices. Soil and Water Conservation Districts works closely with NRCS to develop a plan suitable for farmers. Perhaps the carbon certification process may be or could be built into the NRCS or Soil and Water Conservation Districts processes to lower administrative costs for more farms (smaller farms) to participate.

Member Sullivan asked Rep. Lee as to whether the Legislature discussed carbon offsets and carbon fee and dividend. Rep. Lee said there were bills on carbon taxes and the Legislature examined bills that looked at many steps preceding carbon taxes – how to put the pieces in place structurally, the data, metrics, to make a reasonable assessment, etc.

Member Sullivan asked Member Jones if he could quantify how much carbon we can capture through ranching, macadamia nuts, and commercial forestry. Member Jones stated no.

Member Sullivan stated that Hawaii emits 20 million metric tonnes of carbon a year but we do not know through these different practices how much we can capture. This is a hole in the deliberations.

Member Crow stated that the Science Working Group understands that we need to determine this information.

Member Deenik stated that macadamia nut farms are private entities and they have been doing testing for decades and they will have the data on soil health. This is their data but this is a place to begin and partner and augment. There is data. We need to collaborate with farmers. Chair Asuncion stated that we will make a formal request to farms for their soil health data.

Member Madsen asked what data is the Task Force specifically thinking about. Member Deenik stated soil carbon – what is actually in the soil.

Member Mould also said that the Task Force needs to know what is the break-even point – what is the scale.

Member Barton said that she is not sure but in California the scale with farms is approx. 5,000 acres but we do not have many 5,000 acre farms though tropical soils can sequester more carbon. Member Mould said that the Economics Working Group could look at this issue. Member Jones said that ranching meets the scale in Hawaii.

Member Lukens reported that the Hawaii Center for Food Safety hosted a conference with 10 ranchers who comprise over half the pasture acreage in Hawaii and there was a lot of discussion about data, what data is being collected, where to put that data and new products on the market to empower smaller farmers to input data into a framework for monitoring in a decentralized manner. Member Lukens agreed that data is out there. It is just a matter of allowing those who is collecting the data to put it somewhere in a standard framework.

Member LaHaela Walter asked Member Jones if planners would do the monitoring on site. Member Jones stated if using best management practices and if there are new practices geared towards carbon, then a planner can incorporate into existing practices with the exception of return enforcement which would need to be separate. Attendee Stephanie Mock is a conservation planner. If a farmer needs a conservation plan, her organization works with them on their goals for their plan so that there are economic and environmental benefits. The best management practices incorporated are mulch, wind breaks, erosion and sediment control, etc. Conservation planners do follow up especially if farmers have questions and want additional site visits. Conservation planners enter into a cost-share program with farmers to do additional monitoring to ensure that they are implementing practices in the best way possible

utilizing that money to realize the most benefit. Not every farmer needs additional monitoring.

Member Glenn sought clarification on four entities mentioned by Member Jones in his presentation: NRCS, Soil and Water Conservation Districts, Resource Conservation & Development (RC&D), USDA Organic Model. Which ones are federal and which ones are state? How does Hawaii Department of Agriculture (Dept. of Ag.) fit into this scenario? Member Jones replied that these are the ones that he is familiar with. There is also the Hawaii Forest Stewardship program. NRCS is part of USDA. Soil and Water Conservation Districts are quasi state entity. Resource Conservation & Development used to be part of NRCS and is now private in the last 10 years or so. State DLNR has a significant conservation program but Member Jones is not aware of any conservation program by State Dept. of Ag.

Member Yamamoto stated the Hawaii Dept. of Ag. does not have any conservation plans per se and conservation plans are mainly funded by federal monies through NRCS. Hawaii Dept. of Ag. is more regulatory, i.e., loans to farmers and preventing bugs, diseases, viruses and fungi. Hawaii Dept. of Ag. is aware and leery of environmental stuff but it does not want other programs / initiatives, like Critical Habitat Designations by US Fish and Wildlife Service, to impinge on ag. production if one is not too careful and may be an involuntary burden placed on ag. and conservation lands in Hawaii. Member Yamamoto's job as the planner is to be aware of these moving parts and ensure that they do not lean too heavily on conventional farming practices to the point that they make farming in Hawaii more difficult and create more things for farmers to do. A lot of farmers do not speak English as their first language. Member Yamamoto wants to make sure that carbon sequestration impacts are indirect and there is balance to farmers.

Member Jones states that NRCS recognizes that farmers are reluctant to have government on their lands and are a nonenforcement group. NRCS has built trust with farmers.

Rep. Lee stated that Dept. of Ag.'s concerns with HB 2182 were incorporated in the final version of the bill. Member Yamamoto's focus is to achieve a balance with farmers and carbon sequestration mandate based on his knowledge of farming practices.

VII. Report on Various Carbon Farming / Reduction Initiatives

A. March 8, 2018 Meeting with Waimanalo Agricultural Association

The Task Force was asked to present to the Waimanalo Agricultural Association about its activities. Chair Asuncion attended a regular meeting of the Waimanalo Agricultural Association comprised of smaller farms in Waimanalo to discuss the Task Force's

actions. Members were already familiar with the Task Force initiative and some may be asked to serve on Working Groups.

B. March 14-15, 2018 Maui Energy Conference

Member Crow attended the Maui Energy Conference and presented on the Carbon Farming panel, specifically on biosequestering crops. Shar O'Brien from Carbon Drawdown Solutions, a local business, was also on the panel focusing on utilizing our working lands to pull carbon from the atmosphere for carbon sink.

C. March 21, 2018 Carbon Fee and Dividend Webinar

Staff Ma participated in the Brookings Institute webinar. Carbon Fee and Dividend is being pushed by the Citizens Climate Lobby. The concern that it is regressive but states can try to design a system where fees are rebated or credited in the form of a tax credit or dividend to lower-income individuals.

D. April 4-6, 2018 North American Carbon World Conference

Chair Asuncion stated that Members Crow, Glenn, Rep. Lee, Mould and Whitmore attended the North American Carbon World Conference along with Staffer Ma.

Member Mould felt that carbon markets are still an immature market and there are lots of uncertainty and variability but it is moving forward. The new push is the alliances being formed between sub-nationals California and cities and localities. Hawaii is at the beginning stages of looking at this question. It is time to start looking. Do we implement Carbon Tax, Cap & Trade or do we join a larger system or do we create our own? We don't have to go all the way at once. We can do it incrementally to push the conversation forward.

Member Crow said this was a deep dive and Hawaii is not doing this alone. We can learn from others. We can pick and choose from other examples that have come before us. We need to ensure climate change justice and equitable access. We need to try to get some projects on the ground and not forget about soil health, resiliency, the landscape, and not forget smaller farmers. Ecosystem services are very important.

Staffer Ma reported that during one of the sessions – Agricultural GHG Reductions to Support Working Lands Conservation – it was stated that the minimum acreage for farms for viability of a carbon offset project is 5,000 acres. Farms may be grouped / aggregated together. Credits per acre rarely reach 2 metric tonnes of carbon. It takes 18 months to 2 years to generate credits for sale. Some project developers do not like voluntary markets as there is not a built-in demand for credits. For nitrogen management carbon offset projects, the lookback period for monoculture is 3 years and for crop rotation, the lookback period is 6 years. The price for nitrogen management

carbon offset projects is \$9 / a metric tonne of carbon. The costs for forestry work is great as compared to avoided conversion from grassland to cropland. The verification costs are \$5,000 minimum. Overall in California the average price for carbon offset credit is \$15 / a metric tonne of carbon.

Member Sullivan said that these are really small numbers per farm. Task Force needs to identify goal – is it to capture carbon or is it to help farms? The two goals are radically different.

Member Crow stated there is a limitation of scale in Hawaii for landscape sectors that can enter into a compliance offset markets but we have some, such as forestry. We can try to make a small scale and informal, at a lower bar, but still with verification and certification and with ecosystems benefits. We are thinking of a menu of options from strict protocol / methodologies for recognized national carbon registries and then informal but still verifiable, certifiable with lesser co-benefits. For the smaller scale and less formal with lower bar to have small farmers participate, perhaps the certification and participation may be done through an app. Tourists may be able to offset their emissions by paying through their phones for farms or other business that have best management practices to sequester carbon.

Member Sullivan stated that this is a very powerful idea to have a zero-carbon vacation which has been presented. This can pressure hotels to reduce their emissions.

Member LaHaela Walter – there is an online tool Forest Carbon Works, which is an app that lets small scale landowners of 50 to 100 acres use their smartphone to do their inventory. Also, there is Carbon Buddy which allows people to calculate their carbon footprint in Hawaii.

Attendee Marceau with Elemental Excelsior is interested in carbon app. Member Glenn stated that he does not want the Task Force to lose focus of the recognized carbon registries and carbon markets. Member Glenn mentioned Carbon Offset Scheme for Aviation (CORSiA) which is supposed to come online in 2021-2023. There will be a global demand for 3 billion credits due to CORSiA. There is not enough supply to meet their demand and price per carbon credit will increase. International Maritime Organization is also looking to offset emissions. Hawaii should look at California's system.

Staffer Ma agrees with Member Glenn about the demand for verified carbon credits but the issue is does Hawaii have the land mass to produce verifiable credits.

E. Others

Staffer Ma met with Member Glenn on 3/2/2018 to discuss California's Cap and Trade system and how Hawaii could integrate with it and to better understand Hawaii's role in the US Climate Alliance and Hawaii's climate initiatives.

Member Lukens reported that the Hawaii Center for Food Safety will be publishing a report "[Regenerating Soil](#)" in May 2018 and along with videos on soil health. Staffer Ma and Hawaii State Sustainability Coordinator Danielle Bass met on 3/29/2018 with Hawaii Green Growth Hawaii Sustainability Forum Julius Fischer to discuss private sector's interest in purchasing carbon offset credits from Hawaii projects, specifically what is the interest and how great is the interest.

Staffer Ma and Hawaii State Sustainability Coordinator Danielle Bass met on 4/20/2018 with Hawaii Agriculture Research Center to obtain an understanding of the size and number farms in Hawaii and to get a realistic understanding of whether Hawaii farmers can participate in Carbon Markets – voluntary or mandatory – and satisfy the carbon registry protocols / methodologies to sell offset credits.

Chair Asuncion reported that he received inquiry about the Task Force from the Northeast Organic Farming Association of Vermont (NOFA-VT), specifically the legislative process Hawaii went through to form this Task Force, its goals, and possible ideas for future carbon farming initiatives and legislation the Task Force may have. There has also been interest expressed from Kansas and Massachusetts.

Staffer Ma attended on 5/16/2018 the Brookings Institute webinar on the "Economic Effects of an Existing Cap-and-Trade Program: The Latest RGGI Review". RGGI –Regional Greenhouse Gas Initiative -- covers 9 states and was started in 1990s. RGGI is limited to power / energy sector (unlike California which is multi-sectoral – large electric power plants, large industrial plants and fuel distributors). In the early years of RGGI, there were negative economic impacts to participating states not including health and environmental benefits.

Staffer Ma and Member LaHaela Walter will give a very brief overview of the Task Force to the Climate Commission meeting the afternoon of May 22, 2018.

There will be an US Climate Alliance Learning Lab in DC from July 9 - 11, 2018 with Scott Glenn, Philip LaHaela Walter and Susan Crow plus members from The Nature Conservancy and Hawaii Agriculture Research Center. This Learning Lab will build capacity in the states on how to account for and model carbon in natural and working lands, i.e., forestry, agriculture and pasture. This will be a three-day workshop on carbon inventories and opportunity analysis and sequestration options that makes the most sense for each State.

VIII. Report from Working Groups:

A. Economics – to develop incentives and funding mechanisms for incentives, e.g., loans, tax credits, grants, research, technical assistance, educational materials, outreach, etc. for carbon markets.

Econ. W.G. Members are Tyler Jones, Rocky Mould, Kenneth Yamamura, Ron Whitmore and Philipp LaHaela Walter. The group met on 4/27/2018 to discuss payments for ecosystem services. Per Member Mould, the group's role is to put numbers on ideas developed by Legal / Policy group to see if they pan out.

B. Science – to measure baseline levels and increases in carbon sequestration, improvements in soil health, and other key indicators of greenhouse gas benefits for participation in carbon markets.

Science W.G. Members are Susan Crow, Jonathan Deenik, Jayme Barton and Michael Madsen. The group met via teleconference on 5/8/2018 and discussed how to measure soil carbon and issue of baseline, many of the datasets and reports that exists. GHG emissions report is good for emissions but not for sequestration. Member Barton and HARC are working with farmers using the NRCS model for sequestration for baseline. Member Deenik is working with key farmers and measuring what is there for baseline. Another issue is how to assign values to best management practices. There are data for baseline but need to pull information together for useable starting point and need to know what management practices are for soil health with the data.

Member Lukens asked what financial resources are needed?

Member Lahaela Walter sought clarification as to whether data is missing or if it is people power to pull data together.

Member Deenik replied that he does not think we have adequate coverage of all land use with carbon stock so reports are only measuring the top soil and need to measure to 1 meter. Some data we cannot get and we cannot get the raw data. Some of the data also comes from the 1970s.

Member Madsen said that the Hawaii GHG data has AFOLU soil carbon data. Member Crow said that data is too broad.

Member Crow said that a graduate student could take 2-3 years at \$30,000 / year to determine what we know in terms of collecting and reviewing existing data / reports on soil carbon and identifying gaps.

Member Mould stated the reason for level of soil carbon data granularity is to get certification to monetize.

Member Jones said our soils change at much shorter distances than on the mainland and we have much smaller farms than on the mainland so we will need much finer detail on soil carbon data for best management practices.

Member Sullivan said that Member Jones's presentation highlighted macadamia nut farms, ranches and forestry projects and why cannot we just give the highest sequestration number to those projects and apply that to the acreage in Hawaii? This can be the pie in the sky best case scenario in Hawaii.

Member LaHaela Walter said that DOFAW did really rough estimates for converting non-native grassland and shrub lands (20,000 acres) into forestry would sequester 4 million tonnes of carbon (this is permanent).

Member Lukens said there are lots of private and foundation capital that would fund data collection and maintenance, such as the Frost Family Foundation and Environmental Funders Group of Hawaii.

Member Lukens asked Staffer Ma, from Member Jones's presentation, pasture and forest do they qualify for California's market in terms of size for impact? If we had data collection for carbon in small farms would this allow small farms to get skin in the game for carbon market participation? Staffer Ma responded that established carbon market registries are not set up for small farms.

Member Crow said that she is working with The Nature Conservancy and the Climate Action Reserve are seeking a grant to build a custom, standalone registry. Sonoma and Merced counties have standalone registries but it is not in the compliance market.

Attendee Dale Sandlin with the Hawaii Cattlemen's Association stated that its members are interested in carbon sequestration and ecosystem services. Large ranches and small ranches are engaged in carbon sequestration and ecosystem services from wildfire management, critical habitat management, conservation practices, etc. These may be quantified and developed in conservation plans for NRCS plans and in state programs as well. This should not be limited to big ranches.

Member LaHaela Walter stated that the Economic Working Plan said that Conservation International gave a [report on payment for ecosystem services](#), which is on the Task Force website. Hawaii has more to see in terms of ecosystem benefits than just carbon credits.

Member Jones said that the idea to help farmers is noble but when we are talking about 2 tonnes per acre at \$15.00 per tonne and we paid every small farmer, which is 10,000 acres, we could just write them a check for \$300,000. This is not much money. Are we going to spend \$500,000 to develop a system so that they can get \$300,000? We might as well write them a check.

Member Glenn said that this is what Costa Rica does. This is payment for ecosystem services. You provide these services and the state will pay you money. Member Jones said that the State will still have to certify Best Management Practices, which are the services being provided.

Member Sullivan said that we have tourists coming who want to offset their carbon and we can plug them into payment for ecosystem services. This is something that Hawaii can tap into.

Member Lukens stated that we can explore impact investing from the private sector and triple bottom line impacts in different enterprises which could cross from farming to energy. The State can incentivize that.

C. Legal / Policy – to identify and recommend measures to the Legislature and Governor to increase climate resiliency and improve carbon sequestration, build healthy soils, and provide greenhouse gas benefits to participate in carbon markets.

Legal / Policy W.G. Members are Scott Glenn, Ashley Lukens, Josh Stanbro, Ben Sullivan and Rep. Lee. The Legal / Policy W.G. has not met and is considering meeting before the Greenhouse Gas Sequestration Task Force becomes effective.

Member Glenn stated that he has concerns about the overlap in responsibilities between the Task Force and the State Climate Change Commission in the legal and policy context. Member Glenn does not want overlap between the Task Force and the Commission and the duplicative conversation.

Chair Asuncion acknowledges that there is a lot going on in different venues and how do you bring it all together. Chair Asuncion articulated the main goal of the Climate Commission is to bring it all together, who is doing what, where the gaps need to be filled and how to bring it all together and Climate Commission is the umbrella discussion for where that is to occur.

D. Public Outreach – to agricultural, aquacultural and agroforestry and forestry communities to provide education and technical support and business communities to gauge interest in participating in carbon markets.

Public Outreach W.G. Members are Diane Ley, Malia Nanbara, and Josh Silva. Public Outreach W.G. has not met. Member Silva has spoken with smaller and larger farmers on Oahu about participating in a carbon market of some kind and the main limiting factor is cost (how much would they be getting back for the amount of work they would have to do). They would be open to using soil amendments for soil health benefits but amendments could pose a problem because if it is manure this may be a risk. Farmers may need additional equipment or to implement soil amendments. Model and apps would definitely help sway them.

Chair Asuncion stated that as we move forward into the new form of the Task Force – the Greenhouse Gas Sequestration Task Force – we want to make sure that the ideas presented and discussed in this current Task Force are not lost. We will continue to work with members and the community. We will not start the discussion over.

Member Glenn stated that there is consensus that we want to continue the structure of the working groups if the new Greenhouse Gas Sequestration Task Force is created. Should this Task Force make a motion as a recommendation to the new task force to adopt our structure?

Chair Asuncion said that the new task will meet and it will basically be all the same members except for a few who were added on by the Legislature and clarification of who goes through advice and consent of Senate. Because some members already are confirmed by the Senate, they will not need to go through the process again to serve on the new task force.

Member Glenn made a motion that the current Task Force recommends to the Greenhouse Gas Sequestration Task Force to maintain the same working group structure as the Carbon Farming Task Force. Member Sullivan seconded. All members present voted in favor of recommending that the Greenhouse Gas Sequestration Task Force continue the working group structure of the Carbon Farming Task Force and there were no members voting nay. The motion carried.

IX. 2018 Legislative Session – Discussion of Legislation Affecting Task Force

A. HB 2182 CD1

Chair Asuncion stated the Governor has until June 25, 2018 to veto bills. July 10, 2018 is the deadline for bills to become law without the Governor's signature. HB 2182 will go into effect July 1, 2018 if signed by the Governor.

HB 2182, when signed, will repeal Act 33 SLH 2017, the Carbon Farming Task Force and create the Greenhouse Gas Sequestration Task Force. The membership is basically the same with OP as chair, Chair of the Board of Ag., Chair of BLNR, adding Dept. of Transportation, deputy director of department of health environmental health administration, director of OEQC, adding UH Law School Environmental Law Program, administrator of DLNR DoFaW, adding member of the Climate Change Mitigation and Adaptation Commission (with no overlapping current Task Force membership), CTAHR research, CTAHR extension agent, representatives from the counties, and 4 members (upping from 3) selected by the Legislature.

HB 2182 now provides that task force members are subject to advice and consent of Senate, i.e., confirmation. The government people who are named and their designees would not have to go through confirmation. The public members, e.g., counties (do not

have to be county employees), they would have to go through confirmation. It is unclear if county government employees would need to go through confirmation. It is clear the 4 members selected by the Legislature would have to go through confirmation.

For the Greenhouse Gas Sequestration Task Force, there are 11 named government people which makes quorum. If government meets without stakeholders, i.e., without counties and public members, then this is not ideal and the optics are not good. The working groups can still meet.

Chair Asuncion is exploring ways for the Greenhouse Gas Sequestration Task Force to meet before all members are confirmed by the Senate and not go dormant because it may take 1 year for confirmation of all members.

Member Glenn said that the Legislature is thinking about a Special Session but then they would have to confirm in the Special Session. Chair Asuncion stated that he did broach the matter with Sharon Ibarra of Boards and Commission but this is putting pressure on the Legislature and counties to come up with names and have the names timely processed for confirmation proceedings.

Member Glenn reminded people that if Task Force members are appointed and confirmed through advice and consent then they have to make ethics filings. There are added tasks to HB 2182 and carryover tasks from the current Task Force. There are reporting requirements to Legislature and Climate Commission with 2024 Legislative Session so in December 2023 a report has to be made and then annually thereafter. This does not mean that we cannot report beforehand, so we probably will. Attendee Rock Riggs (Office of Sen. Mike Gabbard) reported there will be a Special Session for judge confirmations.

B. HB 1986 CD 1

Chair Asuncion stated that HB 1986 tasks OP to work with the Greenhouse Gas Sequestration Task Force in reviewing forming carbon offset programs and establishing a framework of a carbon offset program. We are looking at reports / studies about feasibility and if feasible, what a carbon offset program will look like and the costs associated with one.

The Greenhouse Gas Sequestration Task Force will also have to work on HB 1986. Member Sullivan asked if a carbon offset program will include a comparison and analysis to a carbon fee and dividend system or if that door is closed. Chair Asuncion said that it is open.

C. Next Meeting Date and Time – September 7, 2018 at 9:00 am with place to be determined.

X. Adjournment

Chair Asuncion adjourned the meeting at 11:55 am.