

LATHAM & WATKINS LLP

July 12, 2019

VIA ELECTRONIC MAIL

Craig Ebert
President
Climate Action Reserve
818 W. 7th Street, Suite 710
Los Angeles, CA 90017

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Re: Comment on Climate Forward Program and Improved Cook Stoves Methodology

Dear Mr. Ebert,

On behalf of Latham & Watkins LLP (“**Latham**”), I submit the following comments on the Climate Action Reserve’s (the “**Reserve**”) Climate Forward Program (the “**Program**”) and particularly, the Improved Cook Stoves Forecast Methodology v1.0 (draft) recently put forth by the Reserve for public comment (the “**Cook Stove Methodology**”). Latham currently represents a client that is an interested party in the Reserve’s Program. I thank you for the opportunity to comment on the Program and the Cook Stove Methodology and for providing the public webinars which we found to be thorough and informative.

Latham has one of the largest and most successful climate change and environmental markets practices globally. For decades, Latham has advised clients – in industries ranging from transportation, to real estate development, to power generation – on climate change policy, regulation and litigation. Latham lawyers have been directly involved in the creation of several key environmental markets and in the design and adoption of climate legislation. With a multi-disciplinary approach, Latham regularly advises clients on climate change-related regulatory compliance, commodity transactions, including environmental credits and fuels credits (*e.g.*, carbon allowances and offset credits), and real estate project greenhouse gas mitigation. Furthermore, in California, Latham’s practice has developed a successful track record of helping clients obtain all necessary environmental, land use, and regulatory approvals from federal, state, regional and local agencies and has extensive experience with the specific statutes and regulations that affect a broad range of projects including the California Environmental Quality Act (“**CEQA**”). It is with this breadth of experience that we provide our comments in support of the Reserve’s Program and the Cook Stove Methodology offered for public comment.

We commend the Reserve for developing the Program and taking such a proactive step in addressing climate change and providing the corporate community with viable pathways to

mitigating their carbon footprint. In our experience, the Reserve has been a most credible proponent of climate change action and is uniquely positioned to bring a program of such potential and ambition to market. The Reserve has always maintained the highest of environmental standards in its actions. Indeed, the Reserve is one of only a few offset registries approved by the California Air Resources Board to accept offset projects under the state Cap-and-Trade Program. Furthermore, the Reserve's Board of Directors is independent and is comprised of a diverse array of members with decades of experience in the climate action space. It is the Reserve's unwavering commitment to the highest of environmental standards and its diverse and experienced leadership that allows the Reserve to bring such a ground-breaking, yet necessary, program to reality.

We have reviewed the Climate Forward Program Manual and the Cook Stove Methodology and we participated in the public webinar held on June 24, 2019 and believe that the Program and the Cook Stove Methodology are well-designed. The Cook Stove Methodology provides an environmentally sound framework to spur private investment to combat climate change. We fully expect the implementation of thousands more improved, energy efficient cook stoves as a direct result of the launch of the Program and finalization of the Cook Stove Methodology. We agree with the Reserve's statements that the projects to be undertaken in accordance with the Cook Stove Methodology will be truly additional – meeting both a rigorous performance standard and legal requirement test. Furthermore, the Cook Stove Methodology seeks to confirm environmental and social safeguarding and ensure no double-counting or “green-washing.” Finally, projects under the Cook Stove Methodology must attest to being in regulatory compliance and implement significant and substantial measures to promote project resiliency thereby bolstering the permanence of resultant emissions reductions. We believe that an ex-ante approach to quantifying emissions reductions is well-justified and supported by the requirements of the Cook Stove Methodology. Because the Cook Stove Methodology contains fundamental pillars of environmental integrity common to other emission reduction programs, we support the Reserve's Program and the Cook Stove Methodology currently up for public comment.

We agree with the Reserve that the Program addresses a need in the market and will spur much-needed immediate action to combat climate change. Advising clients in California on navigating and complying with CEQA, for example, has provided Latham with unique insight as to the necessity of a program like Climate Forward. There previously existed a gap in the market for corporate citizens to proactively take voluntary measures to reduce, mitigate, or eliminate a future stream of emissions. This Program fills this void, and under this Program, to the extent that a project developer wants to mitigate its greenhouse gas impacts, such project developer can directly invest in projects *now* that are tangible, impactful, and credible in order to avoid potential negative climate impacts. Furthermore, given the Reserve's credibility and meticulous development of the Program's robust framework, agencies and other governmental authorities, such as lead agencies under CEQA, should feel confident relying on actions taken by companies in accordance with the Program.

LATHAM & WATKINS^{LLP}

Thank you again for this opportunity to provide comments. Please do not hesitate to reach out should you like to discuss in further detail. I can be reached at (212) 906-1316 or jp.brisson@lw.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Jean-Philippe Brisson". The signature is fluid and cursive, with the first name and last name clearly distinguishable.

Jean-Philippe Brisson
of LATHAM & WATKINS LLP