

# **Agriculture Sector Carbon Market Workgroup Charter – June 30, 2008**

## **I. Authority**

ESSHB 2815 Section 4(3)(g) directed the Department of Ecology and the Department of Community, Trade and Economic Development (CTED) to develop recommendations in consultation with the Department of Natural Resources and the Department of Agriculture with the Climate Advisory Team, Washington State University, and a nonprofit consortium involved in research on renewable industrial materials regarding how forestry and agricultural lands and practices may participate voluntarily as an offset or other credit program in the regional multi-sector market-based system being designed in association with the Western Climate Initiative. The recommendations must ensure that the baseline for this offset or credit program does not disadvantage this state in relation to another state or states. Recommendations will be made under the assumption the Agriculture sector is not capped. These recommendations shall address:

- (i) Commercial and other working forests, including accounting for site-class specific forest management practices;
- (ii) Agricultural and forest products, including accounting for substitution of wood for fossil intensive substitutes;
- (iii) Agricultural land and practices;
- (iv) Forest and agricultural lands set aside or managed for conservation as of, or after, the effective date of this section; and
- (v) Reforestation and afforestation projects.

## **II. Sponsorship, Purpose and Coordination**

The Agriculture Sector Workgroup is being jointly sponsored by the Washington Departments of Ecology and CTED in conjunction with the Washington State Departments of Agriculture and Washington State University.

The purpose of the Agriculture Sector Workgroup is to provide the forum for stakeholders and government representatives, with the assistance of the entities named above, to develop potential recommendations to meet the intent of the legislation and best position Washington's farmers and ranchers for full, voluntary participation in an emerging carbon market. In addition, this group will provide insight into additional public policy mechanisms that could enhance adoption of GHG mitigating/carbon sequestering agricultural practices and technologies by Washington producers.

In so doing, this group may also serve to discuss, develop, and make potential recommendations concerning "most promising" proposals in the agriculture sector as found in the February, 2008 report of the Governor's Climate Advisory Team, entitled "Leading the Way on Climate Change: The Challenge of Our Time."

To the extent the Agriculture Sector Workgroup develops plans for quantified emission reductions for any of the most promising recommendations of the Climate Advisory Team, the CAT will have shared responsibility as to the scope and status of those recommendations.

To the greatest extent feasible, the sponsors desire that the recommendations on the market-based system be consensus recommendations developed by this group. To the extent consensus is not achieved, the recommendations may go forward as majority/minority recommendations for which the full group explanation of minority positions and their rationale is provided.

This will be the only Washington State multi-stakeholder group established by the Sponsors for this topic. While there are or may be similar multi-stakeholder groups regarding agriculture sector participation in multi-sector market-based systems in other western States and Canadian Provinces. It is the intention of the Sponsors that this group's work be coordinated with the work of those related groups in a way that is feasible, timely, efficient, transparent, and productive.

### **III. Scope of the Group's Work**

Proactive Washington farmers were the first in the world to market soil carbon and the first in the nation to market a methane avoidance credit. In order for Washington's farmers / ranchers as a whole to be eligible for participation in carbon market mechanisms, the following issues need to be addressed:

1. Limitations of reliable, valid baseline datasets and corroborating modeled simulations of the impact of management change on GHG emissions / Carbon storage for Washington's diverse agro-climatic conditions, and
2. With regard to GHG reducing/C sequestering practices and technologies by Washington state farmers and ranchers - What techniques are available; are they currently being used; what are the limitations and barriers to use; and how can more use be encouraged.

Successful implementation of the CAT agriculture proposals will require strategic choices about opportunities and / or incentives that work in concert with a carbon market to encourage adoption of GHG reducing / Carbon sequestering technologies.

The basic plan for the implementation project is as follows:

#### **Technical**

A team of WSU / USDA scientists has been working on these issues for the past several years in cooperation with producers and other stakeholders. This team will continue to work on finalizing the following plan:

1. Complete an analysis of the existing soil carbon datasets available for a range of production systems in the state.
2. Augment the existing datasets with targeted field sampling.
3. Use this additional data and analyses to refine calibration of existing soil carbon / nitrogen models to complete a set of baseline GHG emissions scenarios for various “agricultural management systems “currently and potentially practiced in Washington State. These simulations will provide the “defensible carbon mitigating calculations” for a carbon market mechanism.
4. Complete an economic assessment of the costs of various “agricultural management systems” that will provide an assessment of the real additional costs / savings farmers incur by making a shift to a “climate-friendly” practice.
5. Complete an analysis of a set of complimentary public policy incentives that are likely to spur adoption.
6. Submit a technical plan to key stakeholders.

The technical input this team produces, including options and implications, will be reviewed and used by the political team to determine strategic direction and implementation recommendations as discussed below.

### **Political**

An advisory group of key agricultural and agency stakeholders will be assembled to provide insight to and review of the technical plan and results. This venue is where the connection of the technical findings to the reality of what can work in the field needs to take place, and where that technical plan may be refined.

The scope of this group’s work may include the following elements:

- General principles regarding the role of Washington agricultural lands and practices in achieving Washington GHG goals, consistent with ESSHB 2815.
- Consideration of specific design elements appropriate to one or more regional or other multi-sector, market-based systems, including robust measurement, accounting, and verification systems.
- A diverse range of potential project types that may be suitable for consideration within one or more market-based systems, with specific consideration of opportunities to expand from the high-rainfall dryland production region to create opportunities for other Washington producers.
- Consideration of agricultural land application of organic materials and anaerobic digestion where solid technical information is available.
- Specific consideration of “most promising” CAT strategies, including opportunities and / or incentives that work in concert with a carbon market to encourage adoption of GHG reducing / Carbon sequestering technologies.

## **IV. Responsibilities of Key Stakeholder Participants**

Participants are expected to represent the interests of their organizations, and bring a strategic, policy-oriented perspective to benefit the group. Participants are expected to

make every effort to participate in all group meetings and activities, including participating electronically. Designees may be explicitly named to the group as substitutes for the participants. Participants and their designees will make every possible effort to ensure that designees are well prepared to participate in the group's ongoing work processes, so that progress is maintained. Other organization representatives are welcome to attend meetings as observers in the absence of the organization's invited member (See below.)

Meetings will be open to the public. Observers will not participate in the deliberation of the group unless invited by the group. Meetings will be announced on the Department of Ecology Climate Website. Work products of the group will also be posted to this site. The sponsors will assure that at each meeting a time will be allowed for public comment. The group's recommendations will be made available for public comment.

## **V. General Approach**

The general strategy the group will use to meet its objectives will be through agency-assisted collaborative discussions among all participants at a series of meetings, as well as between-meeting work as needed. Each Workgroup Co-Lead will have the responsibility for leading one of the teams and thus, ensuring coordination and communication between the Technical and Political teams and the work that is produced by each.

The Sponsors expect the group and its individual members to consider the following guidelines in communications, including communications among group members, with Sponsors and their designees, and with external parties:

- Be mutually respectful;
- Be honest about one's own or one's group's core values, interests, and goals;
- Avoid attributing positions or motives to other parties in communicating externally;
- Communicate externally as a group as much as possible, for example through periodic agreed-on statements of progress;
- Use commonly used collaborative communication guidelines.

The process the group uses should serve to bring out group members' important and relevant values, interests, and objectives, and those of the organizations they represent, so that shared values, interests, and objectives can be identified, and so that principled disagreements can surface clearly and be explicitly discussed by the group, with the purpose of achieving the greatest possible group agreement on objectives related to the work of the group, and so that remaining interest-based disagreements can be fully understood by all group members.

This working group is expected to attempt to make group decisions by consensus where feasible, including decisions on group recommendations. However, non-consensus

decisions are acceptable providing the group as a whole explains the nature of any disagreements and their rationale.

## **VI. Approach to Technical/Scientific/Market Information**

The Sponsors intend that group members avail themselves of technical and scientific information pertinent to the work of the group, in a way that is agreeable to all group members, meets the purpose of the group as outlined in this charter, is efficient, and promotes the greatest possible group agreement on technical and scientific matters. As part of the group's dialog, critical areas of technical and scientific agreement should be documented and any major technical/scientific disagreements should also be explicitly identified, with an explanation of the disagreement and what was done to resolve it. The implications of any technical or scientific disagreement for the group's recommendations, consensus or otherwise, should be explained in the group's recommendations.

Group members should be particularly careful in their treatment of raw or draft data/analysis, and sensitive to the potentially detrimental impacts that incorrect use of preliminary work may cause.

## **VII. Schedule**

### Major Milestones

September 22, 2008 – Draft recommendations complete

October 20, 2008 – Final recommendations complete, including recommendations for legislation, if needed.

Interim milestones, if determined they are needed, will be identified at the first meeting.

Meeting frequency - June through October –Monthly (with additional work between meetings as needed)

Meeting structure – In-person full day meetings. Meetings will take place in central or eastern Washington to allow for the greatest amount of participation.

Meeting co-conveners –Kirk Cook (Dept. of Ag) and Chad Kruger (WSU)

## **VIII. Members**

### **Co-leads**

- Kirk Cook, Washington State Department of Agriculture
- Chad Kruger, Washington State University: CSANR

### **Workgroup (Political Team) Members**

- Jim Armstrong, Spokane County Conservation District
- Larry Cadwell, Cherryview Farms
- Dan DeRuyter, George DeRuyter and Sons Dairy
- Ted Durfey, Natural Selection Farms
- Mark Fuchs, Washington Department of Ecology
- Patrick Mazza, Climate Solutions
- Warren Morgan, Double Diamond Fruit
- Maurice Robinette, Washington Sustainable Food and Farm Network
- Ron Schultz, Washington State Conservation Commission
- Mark Sheffels, Pacific Northwest Direct Seed Association
- Craig Smith, Northwest Food Processors Association
- John Stuhlmiller, Washington Farm Bureau
- Randy Uhrich, Washington Association of Wheat Growers
- Zach Willey, Environmental Defense Fund