

Forest Sector Workgroup on Reducing Greenhouse Gases

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Co-conveners

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Work in 2007

- 2007 Governor's Climate Advisory Team
- Forestry Technical Workgroup
- Most Promising Mitigation Strategies
- Western Climate Initiative
 - developing regional cap-n-trade program



What the Western Climate Initiative Includes

Three specific directives:

- Set a regional emissions reduction goal
- Join a multi-state registry to track, manage and credit reductions
- Design a regional multi-sector market-based mechanism

Joint work to:

- Promote clean and renewable energy in the region
- Increase energy efficiency
- Advocate for regional and national climate policies that are in the interest of western states
- Identify measures to adapt to climate change impact



Cap and Trade Design Principles

- Equitable, administratively simple, clear compliance path
- Maximize benefits and avoid disproportionate environmental or economic impacts
- Advance economic, environmental, and public health objectives;
- Real, verifiable, enforceable reductions
- Stimulate investment and reward innovations
- Encourage reductions beyond capped sectors/sources
- Recognition/incentives for early reductions
- Transparent and robust accounting system
- Minimize potential for leakage
- Facilitate links to other systems



Background Information

- Group charter reflecting HB 2815 and previous work on forest carbon emissions under the 2007 CAT process
 - Voluntary opportunities to participate in offsets or other credit markets
 - No disadvantages to WA forest sector
- Membership list
 - Conservation interests
 - Energy sector (buyers)
 - Forest sector
 - Government
- Common Interests agreed to by the group



Common Interests

- The forest sector workgroup supports the reduction of global GHG emissions.
- Healthy and working forests play an important part in reducing GHG emissions.
- A comprehensive system needs to be designed to provide incentives to keep forest landowners in forestry and maintain the forest land base.



Common Interests (con't)

- A well-designed system will produce the opportunity for the forest sector to bring high quality, low carbon products to the markets.
- A system should not create unintended environmental or economic consequences.



Priorities for Forest Sector Workgroup

- 2008
 - Avoided conversion
 - Forest management & harvested wood products
 - Reforestation
 - Additional ideas
- Future
 - Substitution of biofuels
 - Avoided emissions from fire & forest health
 - Substitution of wood for fossil fuel-intensive products



Priority – Avoided Conversion

- Goals

- Need to maximize keeping working forest lands working
- Need to minimize loss of carbon storage where significant conversion is likely to occur
- Seriously address “leakage”
- Integrate with other workgroup discussions on land use



Offset Proposal Cluster Development

- In areas where conversion is likely to occur, local government would adopt cluster development as an option to keep the carbon foot print small, in urban growth areas or “rural” lands
 - Cluster development enables the same number of units to be built with a smaller footprint, allowing for the forest land not converted to continue to be maintained as forest land through an easement
- Developer would sell resulting carbon offsets directly to the cap & trade market



New idea – Transfer of Development Rights (TDRs)

- Transfer development rights from forest lands to urban growth areas
 - Seed funding from state for local governments in planning jurisdictions to set up TDR programs+
 - Developers would pay forest landowners for the development rights and an easement would preserve forest lands from being converted
 - The state would aggregate and sell resulting offsets in the market and pass revenue to local governments to administer TDR programs and transactions*

* Legislation may be needed
+ Funding may be needed

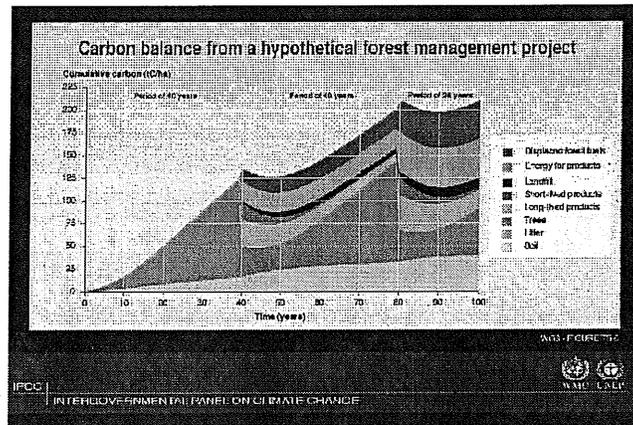


Priority – Forest Management & Harvested Wood Products (HWP)

- Goal
 - maximize carbon sequestration and storage in forest management life-cycles, including in forests and in long-lived HWP
 - Strive for administrative simplicity and equitable treatment of WA forest landowners
 - Be responsive to realities of broad carbon markets



Forest Carbon Pools



Offset Proposal – Forest Management /HWP

- Longer rotations – increase carbon storage in forest
- Intensive forest management – increase carbon storage in HWP
- Improve durability and lifespan of HWP
- Conservation of forests – provides permanent sink

New Idea – Complementary Carbon Storage Incentive Program (“Opt-in”)

- Landowners would commit to maintain or increase carbon storage on their land
- Penalties for failure to meet commitment
- Financial incentives from the state+*
(derived from cap & trade regime?)



Priority – Reforestation

- Goal – Reforest areas previously forested to increase carbon storage
- Potential Mechanisms
 - Where this occurs on rural or resource lands, it will be addressed through the forest management recommendations
 - Where this occurs in the urban environment the current draft CA protocol is being reviewed for suitability in WA+



Other ideas/issues

- Green building amendments
 - encourage full life cycle accounting for carbon in building materials: USGBC & state standards*; by labeling products & through use of SEPA
- Ecosystem services districts – potential source of funding to provide incentive for ecosystem benefits*
- Data needs+
 - Parcels/forest database (~\$700K)



Work Remaining

- Detailed protocol development and funding decisions
- Continue with future priorities



Questions?

Forest Sector Workgroup website:
www.ecy.wa.gov/climatechange/2008FA_for.htm

