

DEPARTMENT OF
ECOLOGY
State of Washington

Environmental Justice Offsets Working Group

Meeting #2

October 23, 2024

Welcome

- Meg Baker – Facilitator, Community Outreach and Engagement Specialist
- Jordan Wildish – Senior Environmental Planner
- Nikki Harris – Climate Pollution Reduction Program Rulemaking Coordinator,
Technical Host
- Joshua Grice – Climate Pollution Reduction Policy and Planning Section Manager

Working Group Role

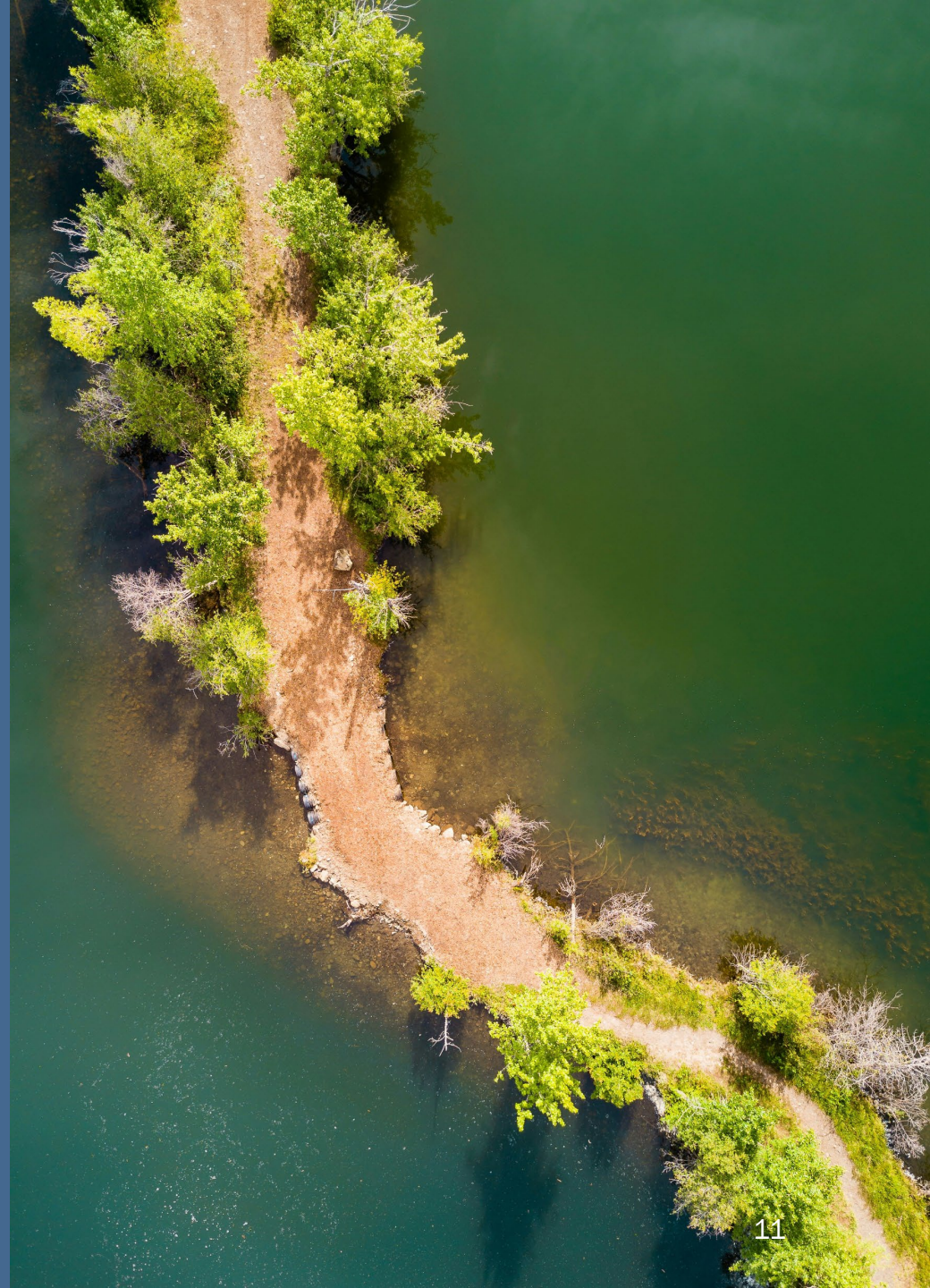
- This working group is not tasked with making consensus recommendation changes to Ecology rule or adopted protocols
- Ecology will consider multiple sources and perspectives, including the input collected through this working group, when deciding how to proceed with changes to this protocol
- Input provided by working group members, even if unanimous, should not be considered an indicator of the changes Ecology may or may not make

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Community agreement

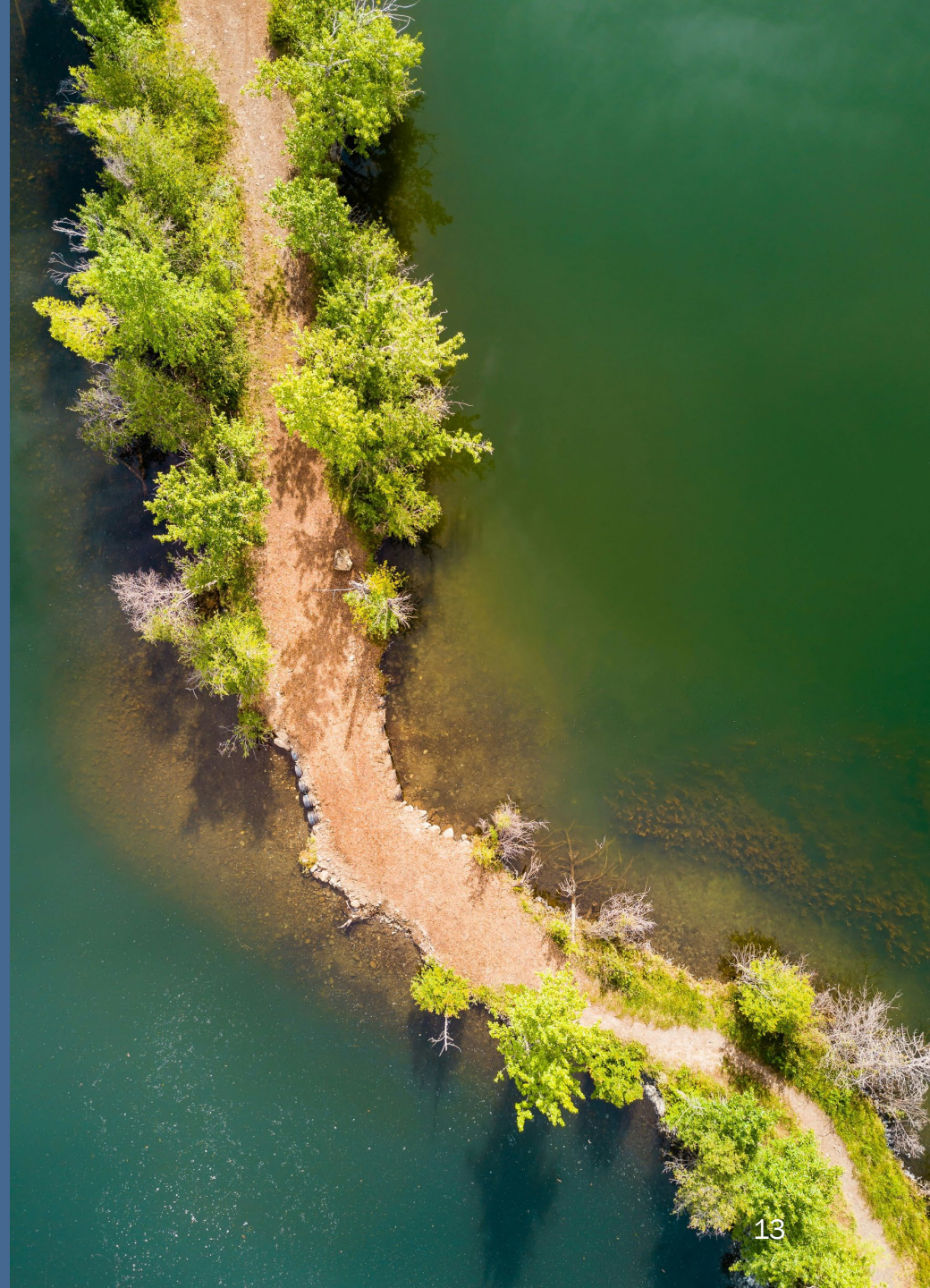


Community Agreement

- **Respect** – diverse viewpoints, group members' time, active listening, “sit in a circle,” raise hand to speak
- **Accessibility and transparency** – plain talk complex topics and be forthcoming on desired outcomes
- **Think broadly and creatively** – including impacts outside of our own communities
- **Ask for clarification** and help when needed



Ozone Depleting Substance Protocol comment period



ODS additional comments

Review of summary from meeting #1

- Any corrections or clarifications?
- Additional comments?
- [Comment online](#) on the draft rule language and considered revisions to the ODS protocol.
 - Open comment period until Oct. 31.

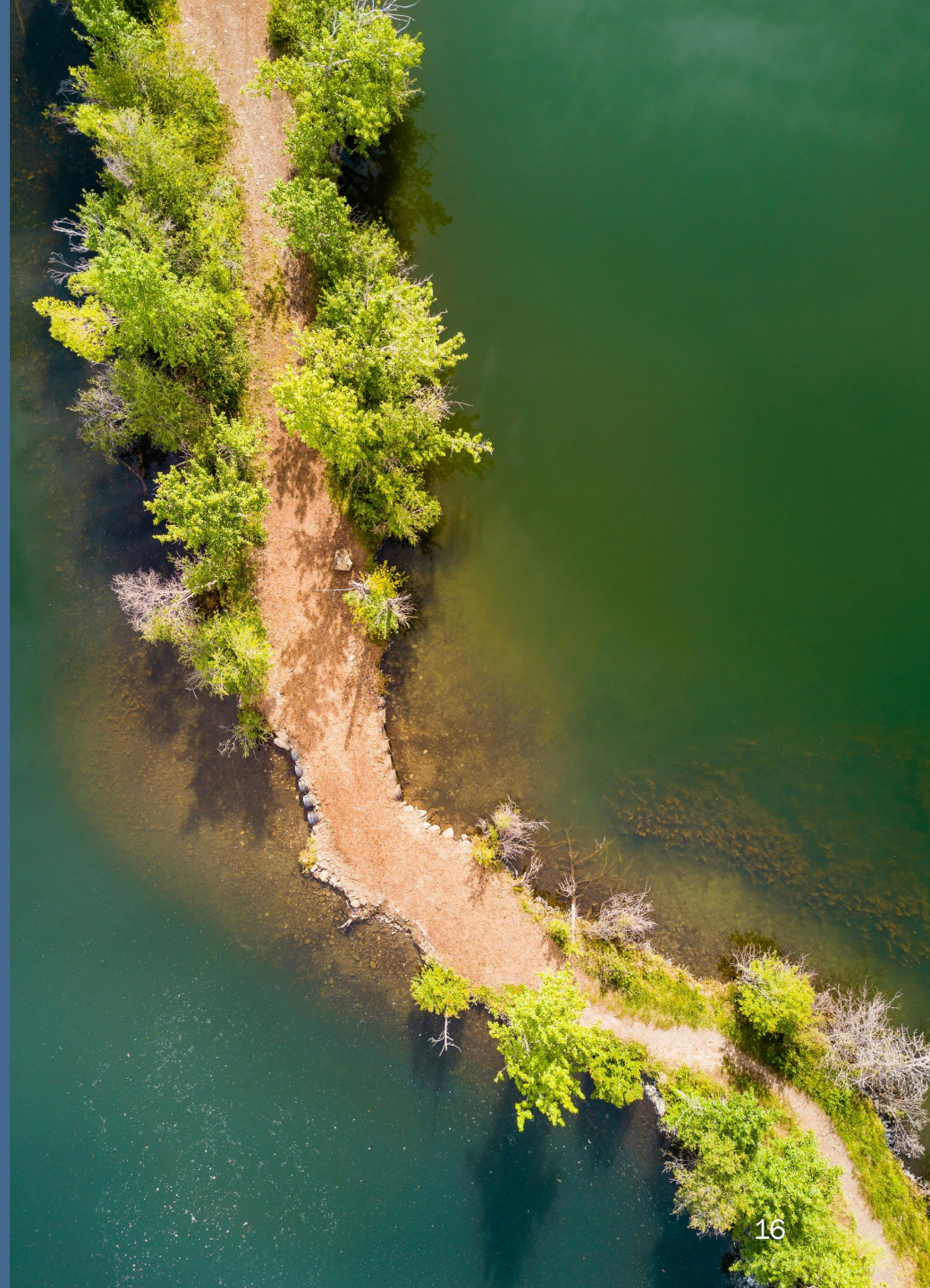
ODS additional comments

3.4.1. Legal Requirement Test

- (a) Emission reductions achieved by a project using this protocol must exceed those required by any law, regulation, or legally binding mandate, as required in sections 95973(a)(2)(A) and 95975(n) of the Regulation.**



Rulemaking update

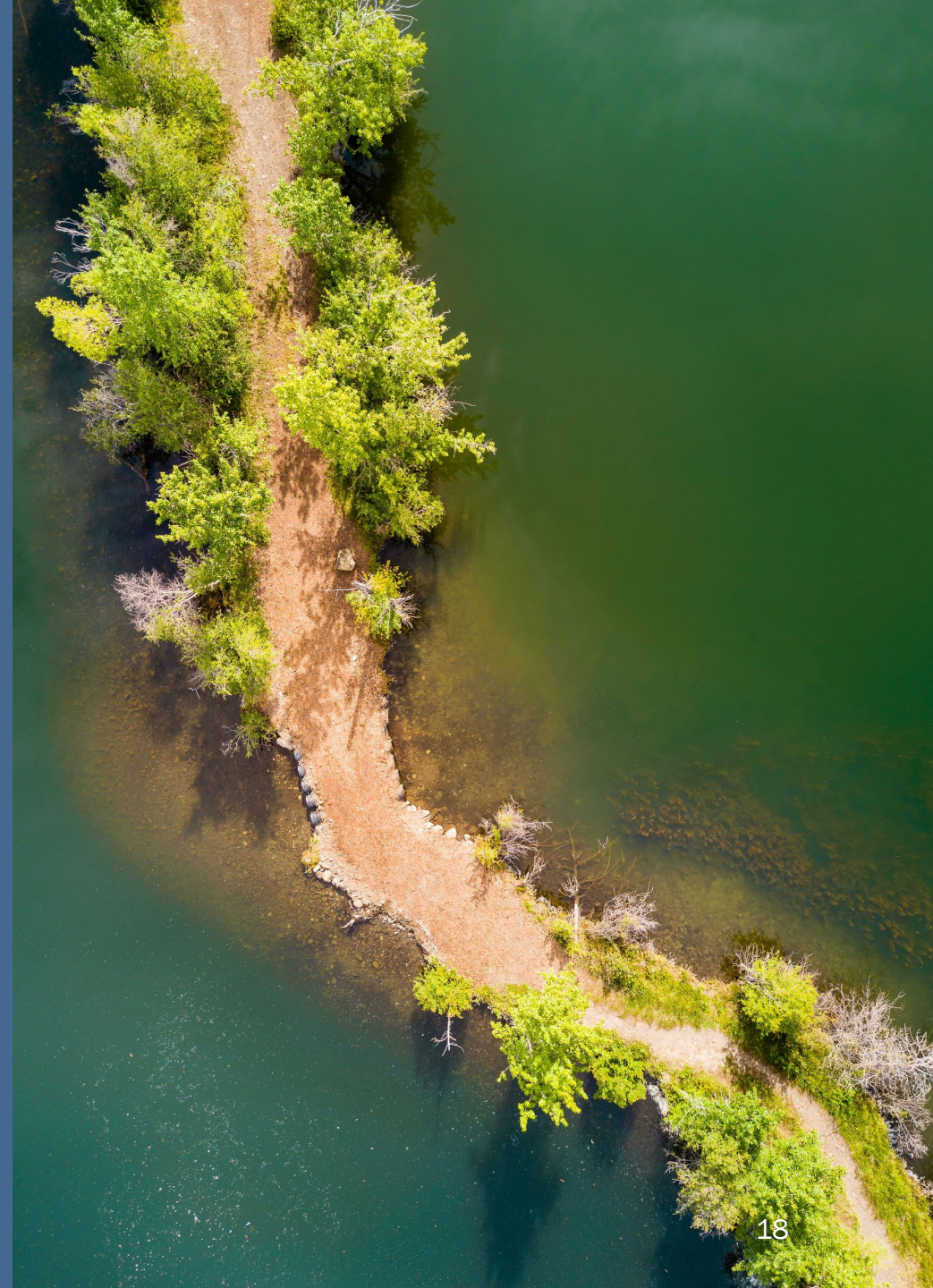


Offsets Rulemaking Status

- Ecology initiated a rulemaking in September of 2023
 - Broad scope to revise offset protocols
- Ecology is splitting up the rulemaking:
 - 2025- Ecology plans to propose a rulemaking to modify the Ozone Depleting Substances Protocol
 - Future- Ecology plans to propose a rulemaking to modify the U.S. Forestry Protocol
- This plan allows for Ecology to adopt revisions now, while still working on and doing public engagement for the U.S. Forestry Protocol.



Forestry Protocol overview



The US Forest Protocol

- Offset credits can be generated from conserving, restoring, or growing forests above what would occur in a business-as-usual scenario
- Projects must remain in place for at least 100 years
- Credits reflect net greenhouse gas reduction and removal enhancements

Project types

- Three kinds of projects approved through the protocol
 - Improved Forest Management (most common)
 - Avoided Conversion
 - Reforestation
- Projects can be developed on:
 - Private lands
 - Non-federal public lands
 - Tribal lands

Reforestation Projects

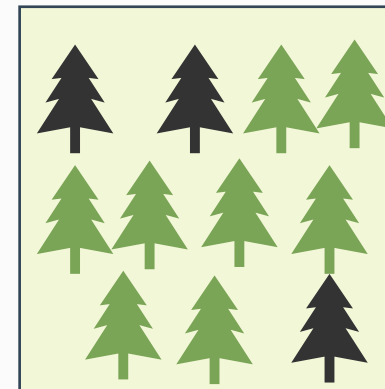
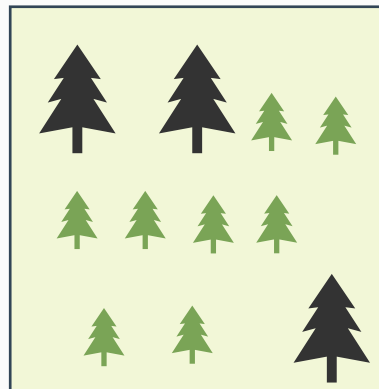
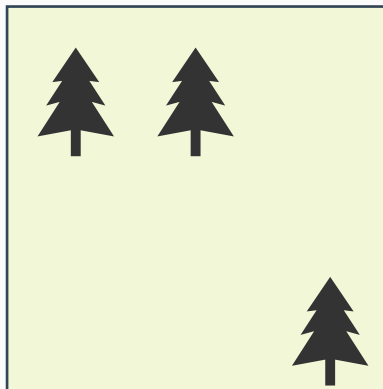
- Tree planting or removal of impediments to natural reforestation – project must restore historically forested area, not afforest
- Area must have had less than 10% canopy cover for a minimum of 10 years, or have been subject to a disturbance that resulted in the loss of at least 20% of the forest's standing live biomass
- Reforested projects may be harvested, but not for at least 30 years of the project start date, and all harvest activities are incorporated in credit issuance calculations

Reforestation Projects

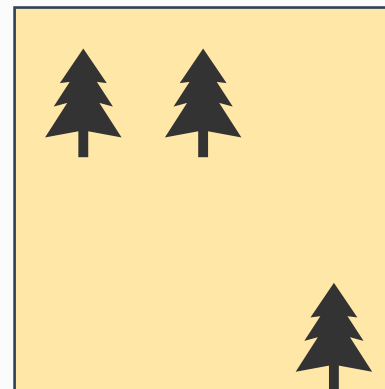
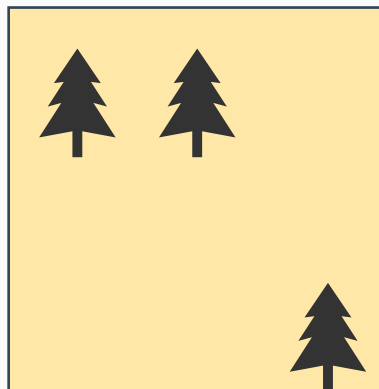
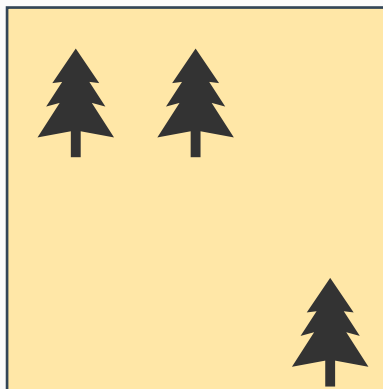
- Credits are issued based on the difference between the actual onsite carbon (post reforestation) and the baseline if the project remained in a deforested state
- Carbon stored in harvested wood is included in calculations
- Emissions from site prep (tree planting) are subtracted as well as shifting of crop or grazing lands if the project is used for agricultural purposes

Reforestation Projects

Project



Baseline



Year 0

Year 20

Year 40

Avoided Conversion

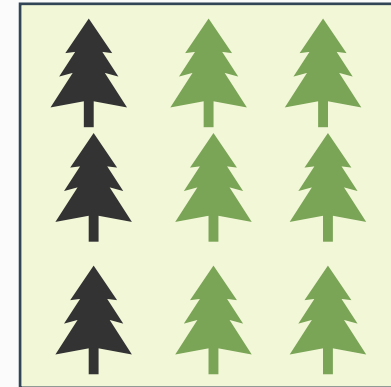
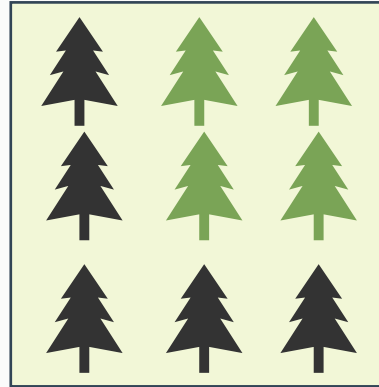
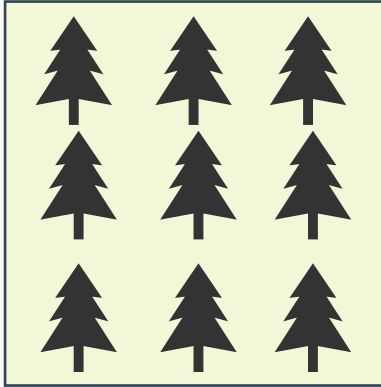
- Transfer of a forest under significant threat of conversion to a protected area via a qualified conservation easement or a transfer to public ownership

Avoided Conversion

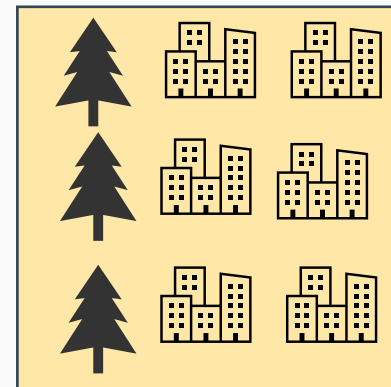
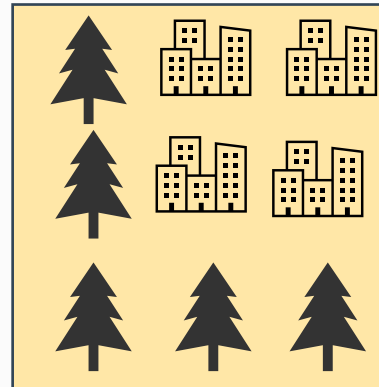
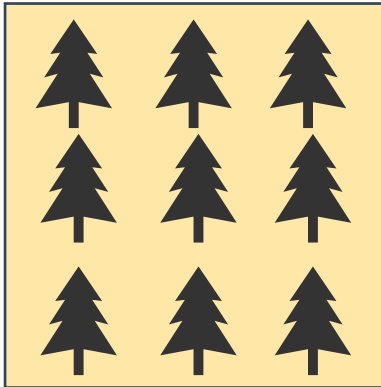
- Proponent must identify highest value land use of the project area, as determined by a qualified appraiser
- Estimate the rate of conversion taking into consideration all applicable laws and regulations
- Conversion is assumed to occur slowly over time
- Baseline must account for any residual forest carbon that would remain
- Carbon stored in harvested wood is included in calculations

Avoided Conversion Projects

Project



Baseline



Year 0

Year 20

Year 40

Improved Forest Management Projects

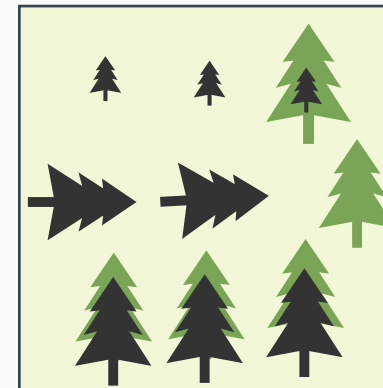
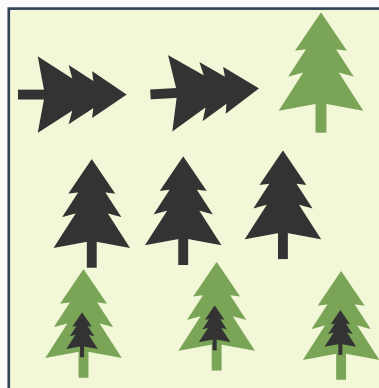
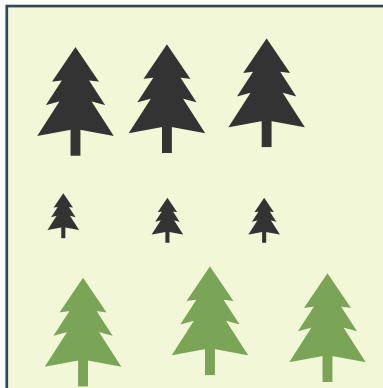
- Increasing overall age of the forest by increasing rotation ages
- Increasing productivity by thinning diseased or suppressed trees
- Managing competing brush or short-lived species
- Increasing stock in understocked areas
- Maintaining stocks at a high level

Improved Forest Management Projects

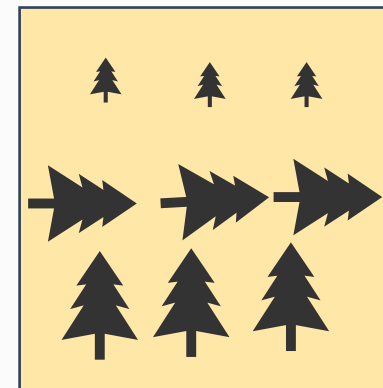
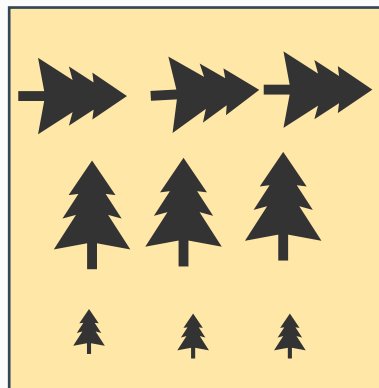
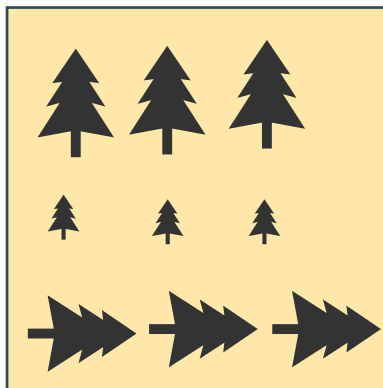
- Credits are issued based on the difference between the actual onsite carbon and the modeled baseline
- Modeled baseline is intended to reflect what would have occurred at the project site, absent enrollment in the market
 - Must be above any legal requirements, reflect a financially feasible scenario and use an approved growth model
 - Project must demonstrate that activities similar to the baseline scenario have occurred in the area in the past 15 years
 - Baseline is weighted to reflect the average carbon stored in similar lands in the region
- Carbon stored in harvested wood is included in calculations

Improved Forest Management Projects

Project



Baseline



Year 0

Year 20

Year 40

Requirements for all projects

- Projects must consist of at least 95% native species.
 - Projects that don't initially meet this requirement may be eligible if they adopt a plan to achieve 95% native species within 25 years and demonstrate progress towards this goal
- If even-aged management is practiced, no more than 40% of forested acres can be less than 20 years old
 - Even-aged harvest units must be less than 40 acres and separated by an area of at least 20 acres

Deductions

- Secondary effects (site preparation, etc)
- Leakage (for IFM and avoided conversion projects)
- Forest Carbon Inventory confidence deduction
- Buffer Pool Contributions

Reversals

- Intentional reversals
 - Harvesting outside of management plan, development, mismanagement
- Unintentional reversals
 - Fire, disease, blowdowns, drought

Example

- Spokane Tribe – Improved Forest Management Project
- 95,000 acres enrolled in CA's market
- 1.4 million offsets issued to project in 2019, 130,000 of which were contributed to buffer pool



Market trends

- Private land and Tribal lands projects are common, non-federal public lands projects are very rare
- Reforestation projects are rare
- Projects typically involve large contiguous acreages: >1,000 acres
- Most projects are commercially harvested

Hurdles to project development

- Project must be on site inventoried, and that inventory must be 3rd party verified, including a site visit by a verifier
 - This is a significant cost which is the primary driver for smaller project being financially infeasible
- Forest management practices do not align with typical management of WA forests, particularly on the west side

Critiques

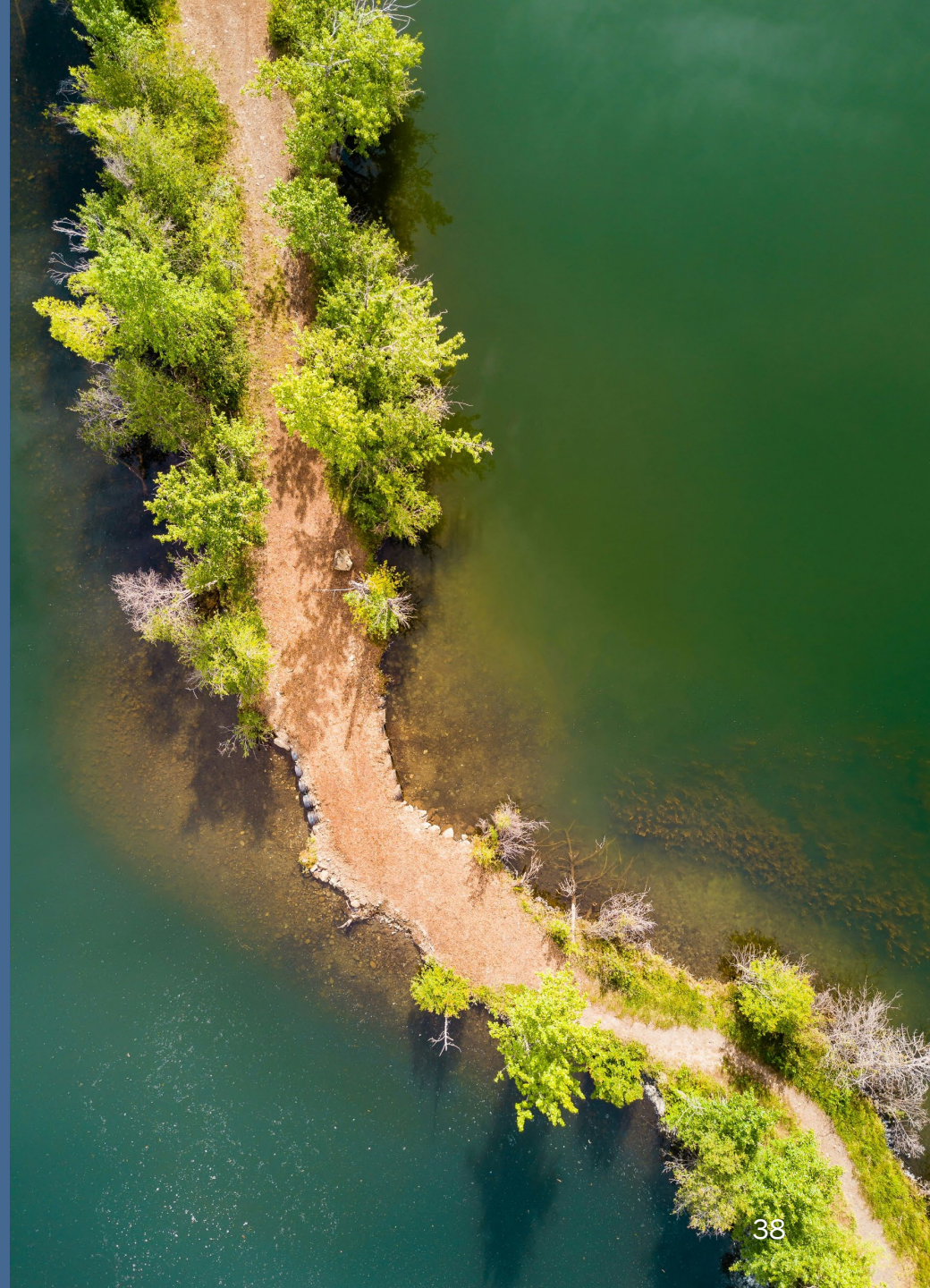
- Baseline setting for private IFM projects
- Buffer pool contribution structure
- Complexity and cost for development
 - Reliance on on-site verification

Programmatic Goals of US Forest Carbon Protocol Updates

- Improve project feasibility for smaller landowners
 - Reduce fixed costs
 - Facilitate aggregation of small parcels into single project
 - Provide resources to ease administrative burden of project development
- Increase viability of less used project types (e.g. reforestation) and less used land types (e.g. public lands)
- Remove unnecessary or unintended barriers or exclusions to project development
- Improve applicability of the protocol to forests in Washington state
- Increase methodological rigor



Forestry Protocol – scoping exercise

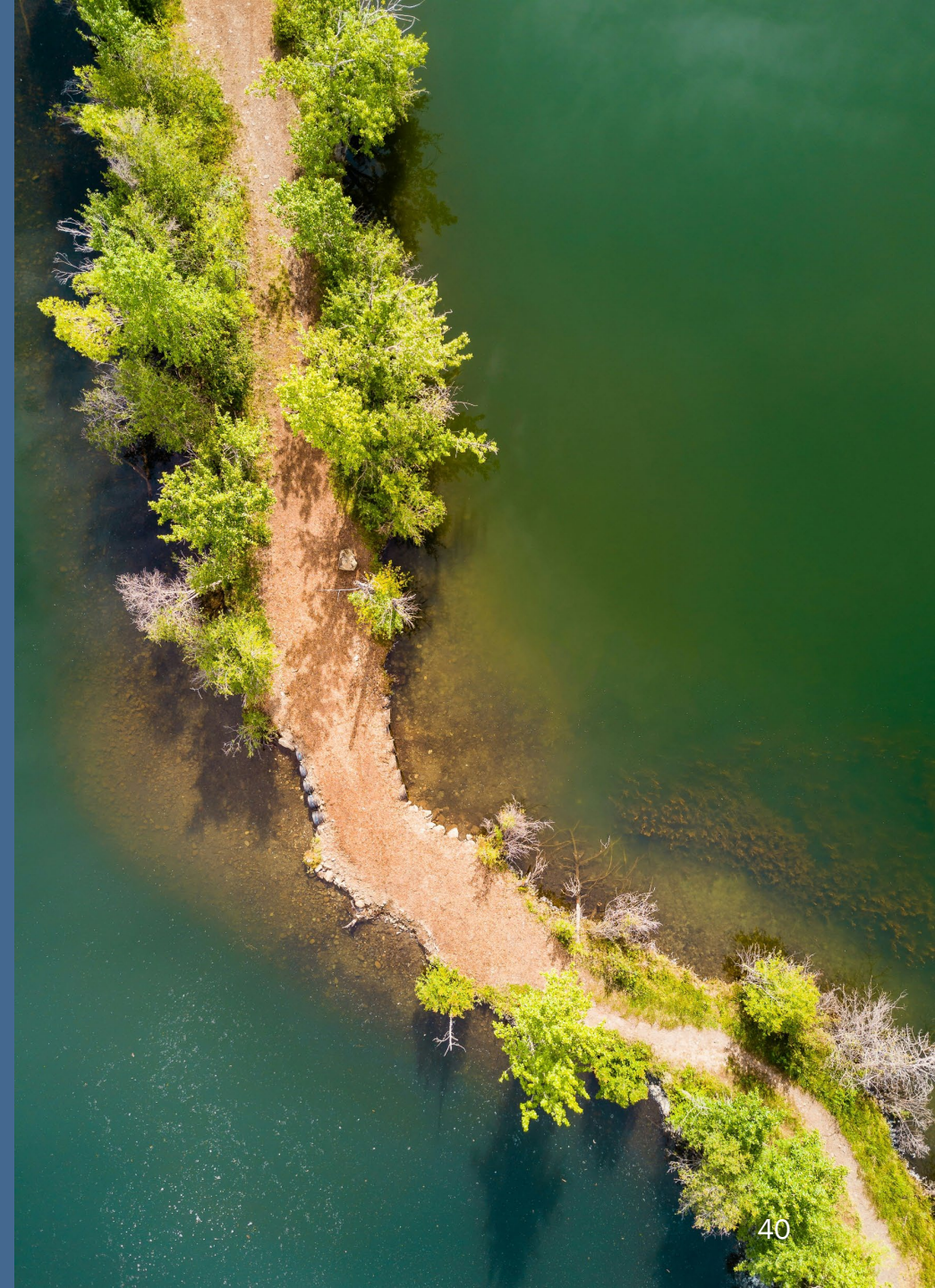


Forest protocol – scoping exercise

- Identify as many potential areas as possible for environmental justice impacts related to a U.S. Forest Protocol in Washington state.
- Note questions you may have about the protocol.



Public comment period



Public comment period

- Guidelines for providing public comment
 - Up to two minutes per person
 - Host will unmute you and begin timer
 - Please keep the comments related to ODS or forestry projects
 - Ecology will not respond to comments in this meeting
 - To submit written comments, use our digital comment platform
 - Please use “raise hand” button to indicate that you wish to provide a comment

ODS protocol rule – open comment period until Oct. 31.





Thank you!

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