

Environmental Justice Offsets Working Group

Meeting #11

07/23/2025

Ecology staff introductions

- Meg Baker – Facilitator, Community Outreach and Engagement Specialist
- Jordan Wildish – Offsets and Tribal Grants Unit Supervisor
- Kayla Stevenson – Offsets Rulemaking Lead, Technical Host
- Austin Atterbury-Kiernan – Offsets Environmental Planner

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

Meeting's goals

- Provide an overview of considered revisions and answer any questions
- Highlight input by Environmental Justice offsets working group members and provide Ecology's responses, when possible
- Listen to initial reactions of working group members to the considered revisions

Agenda

- 1 Community agreement check – in and icebreaker
- 2 Considered revisions – U.S. Forest protocol
- 3 Discussion



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

Mentimeter icebreaker

- What is one book, documentary, or other resource that has inspired you recently?

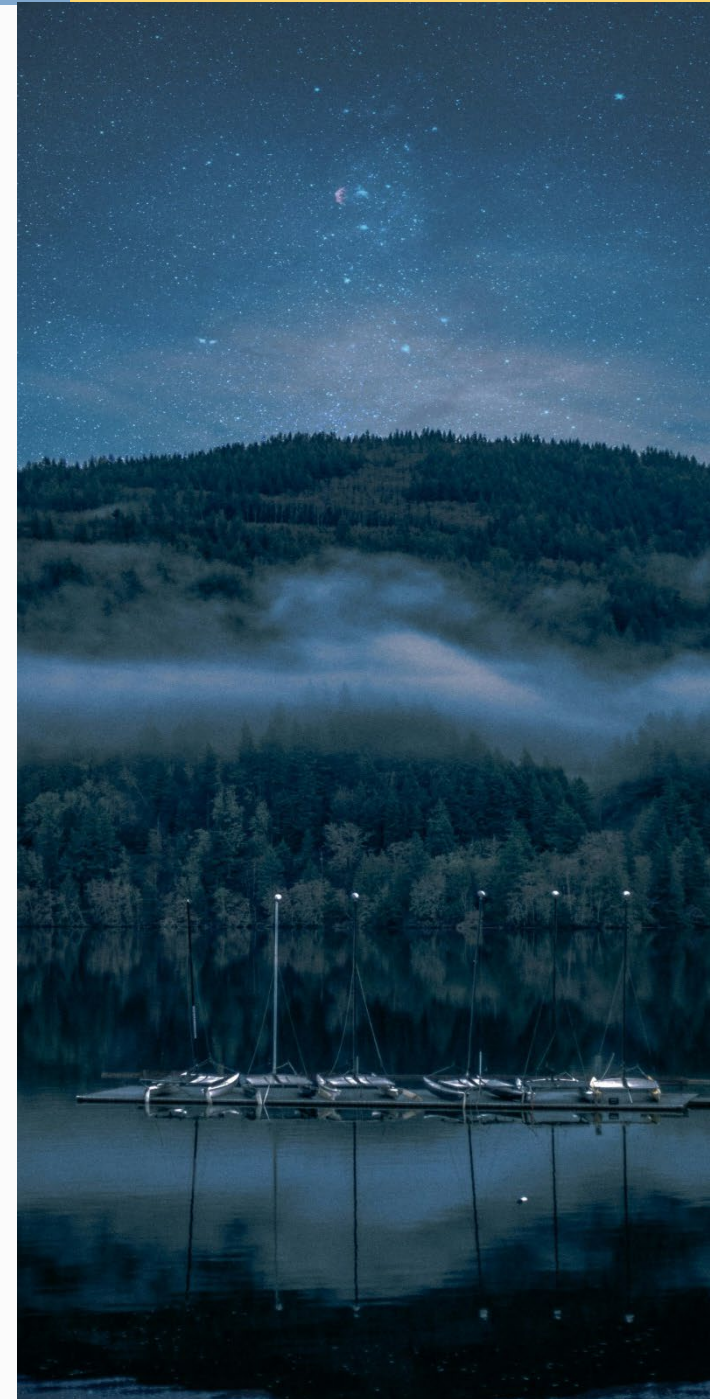




U.S. Forest proposed protocol changes

Input for considered revisions

- Tribal staff
- [Forest Offset Technical Working Group](#)
- [Environmental Justice Offset Working Group](#)
- Industry professionals
- Academics and peer-reviewed research
- Community-based and environmental justice organizations



Goals of this protocol revision

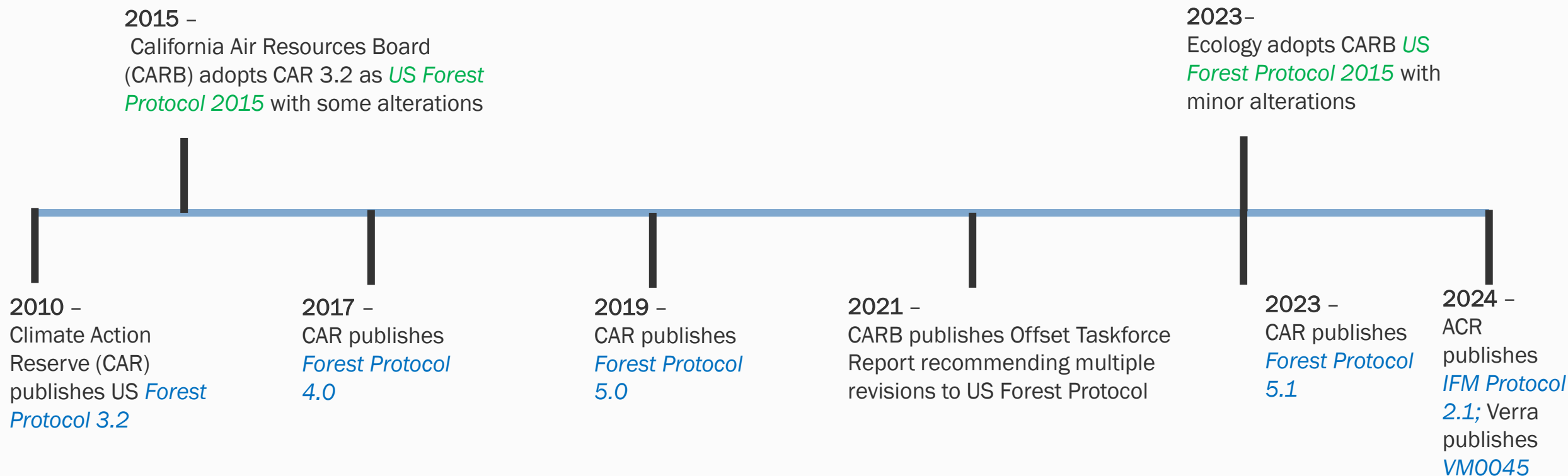
- Help smaller landowners get projects off the ground.
- Make it easier for less common projects and owners to succeed.
- Remove unnecessary barriers that have made projects harder to do.
- Make sure the rules work well for forests in Washington.
- Make the process more accurate and reliable.

Protocol considerations directed by statute

- Consider **forest practices rules** or **best management practices** where a project is located.
- Encourage opportunities to develop **protocols that use aggregation** or reduce costs.
- Use processes, such as **aggregation or cost saving inventory and monitoring**, to make it easier to develop offset projects on a wide variety of types and sizes of land, including **lands owned by small forest landowners**.



Aligned efforts





Considered protocol & rule revisions



Definitions

- [DEBs](#) = direct environmental benefits
- [CITSS](#) = Compliance Instrument Tracking System Service; online platform that hosts accounts for market participants to hold and trade compliance instruments (emissions allowances and offset credits)
- [CAR 5.1](#) = Climate Action Reserve Version 5.1 of the U.S. Forest Protocol, (adopted July 20, 2023); CAR is an approved Offset Project Registry for Washington's Cap-and-Invest Program
- IFM = Improved Forest Management; one of three project types for development within the U.S. Forest Protocol
- Aggregation = the process through which multiple areas of land may enroll in the carbon market as a single project, reducing some of the fixed costs associated with project development for the individual landowners

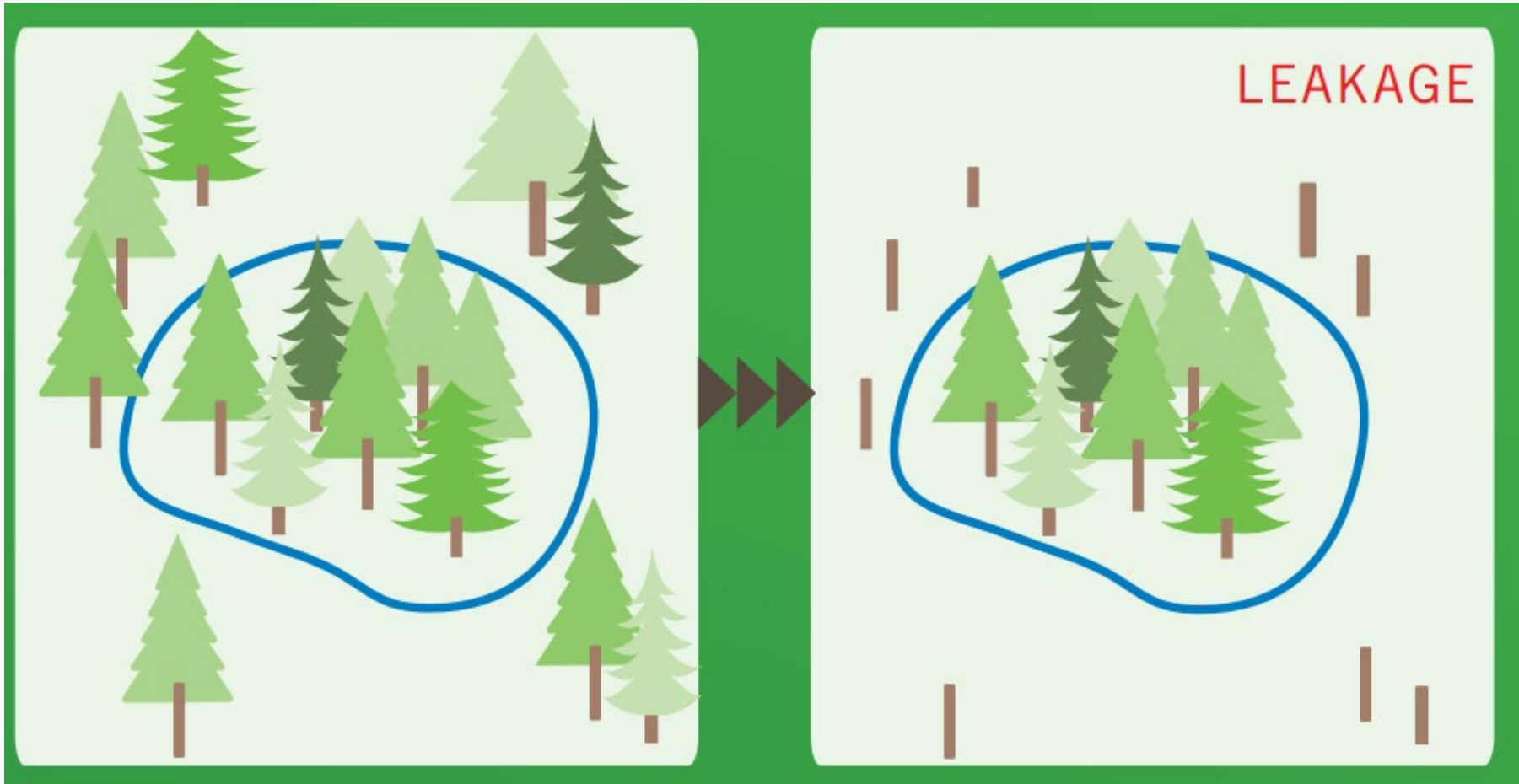


Revision	+ Rigor	+ Ease for small landowners	+ Under-represented project types	(-) Barriers to development	+ Applicability to WA State	Aligns with CAR 5.1 Protocol	Anticipated overall impact
1. Adopt process, structure, select guidance from CAR 5.1 Protocol	X		X	X		X	Low
2. Revise Improved Forest Management (IFM) baselines quantification and crediting approach	X	X					High
3. Revise leakage rate	X					Partial	High
4. Adopt alternative source for Assessment Area datasets	X					X	Low
5. Revise property appraisal requirements	X					Partial	Low
6. Revise buffer pool contribution	X					Partial	High

Revision	+ Rigor	+ Ease for small landowners	+ Under-represented project types	(-) Barriers to development	+ Applicability to WA State	Aligns with CAR 5.1 Protocol	Anticipated overall impact
7. Adopt aggregation approach from CAR 5.1 protocol		X	X			Partial	High
8. Reduce verification requirements for small projects		X				X	Med
9. Reduce verification requirements for projects seeking no credit issuance		X				X	Low
10. Allow project boundary reductions				X		X	Low
11. Revise natural forest management criteria					X	X	High
12. Adopt alternative approach to quantifying certain reversals		X		X		Partial	Low

Revision	+ Rigor	+ Ease for small landowners	+ Under-represented project types	(-) Barriers to development	+ Applicability to WA State	Aligns with CAR 5.1 Protocol	Anticipated overall impact
13. Revise eligibility restriction of previously listed projects				X		X	Low
14. Revise definition of forest owner	X			X		X	Low/Med
15. Require projects be developed in line with Ecology’s DEBs	X				X		High
16. Revise DEBs requirements for Tribal offset usage			X				High
17. Revise CITSS Registration requirement at time of project listing				X			Low
18. Revise Tribal dispute resolution listing requirement			X	X	X		Low
19. Revise status and treatment of harvested wood products	X					X	Low

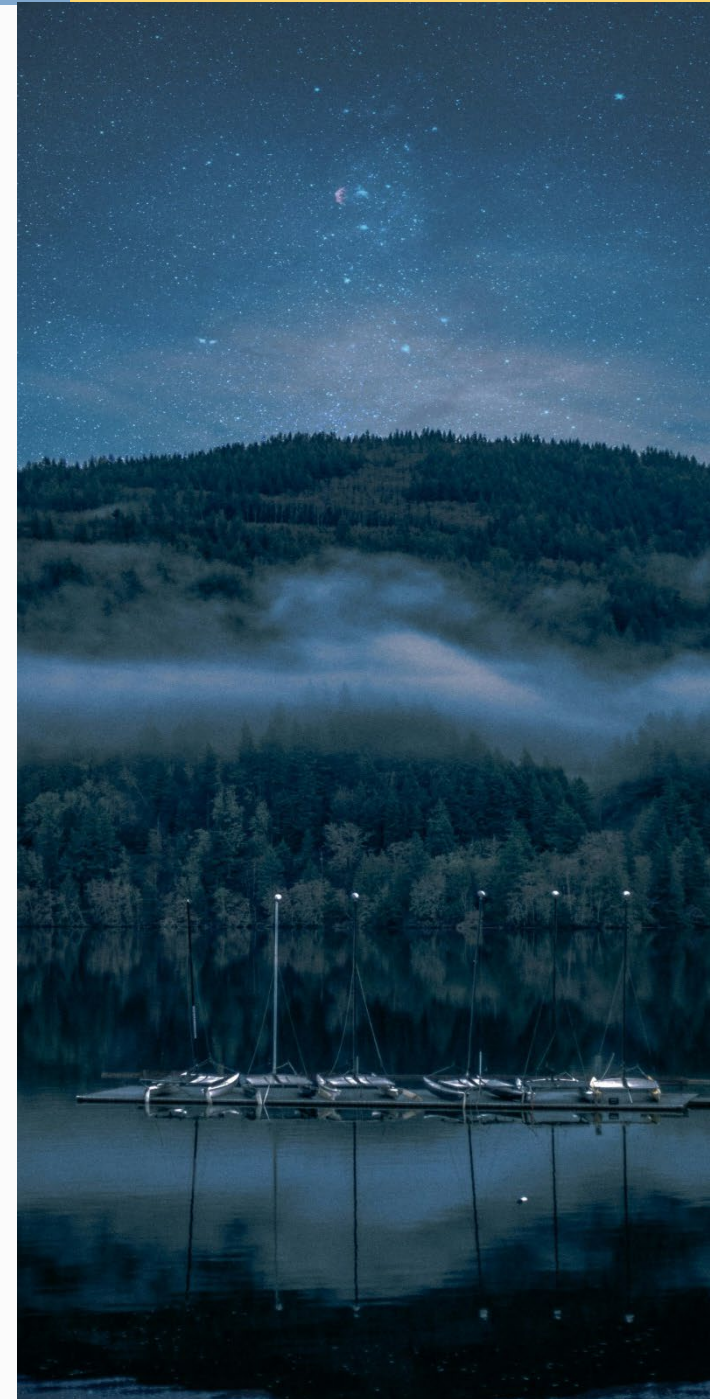
Improved forest management (IFM) - project leakage



Source: [Climate Action Reserve](#)

IFM project leakage rate input - Environmental Justice Offset working group

- 6 people said Ecology should update the default rate for Improved Forest Management projects
- 2 people said other/unsure/declined to answer
- Additional comments included:
 - The current 20% leakage deduction rate is too low and should reflect the most up to date rate from scientific literature.
 - Applying a single leakage rate across diverse geographies and forest conditions (e.g., Eastern vs. Western Washington) is overly simplistic. Someone suggested different rates based on project type or location.

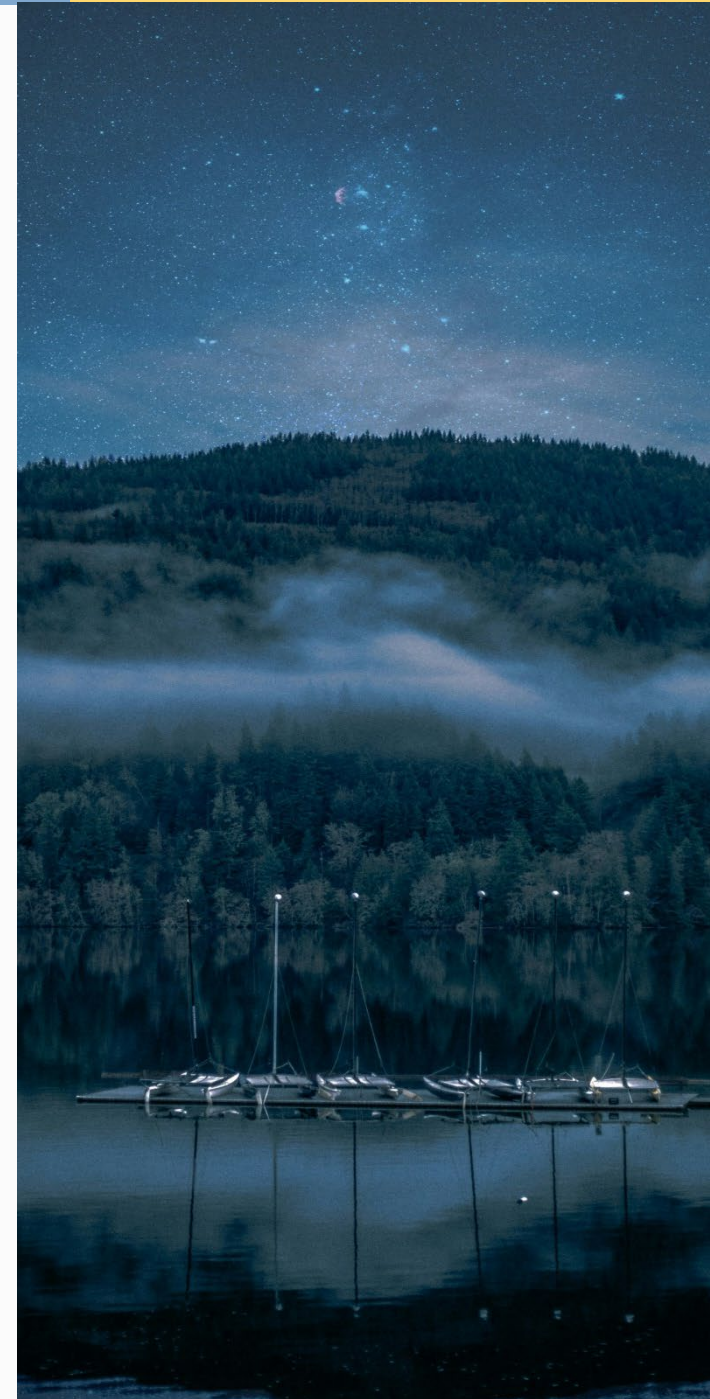


IFM project leakage rate– proposed approach

Revise 20% leakage rate assumption to 40%

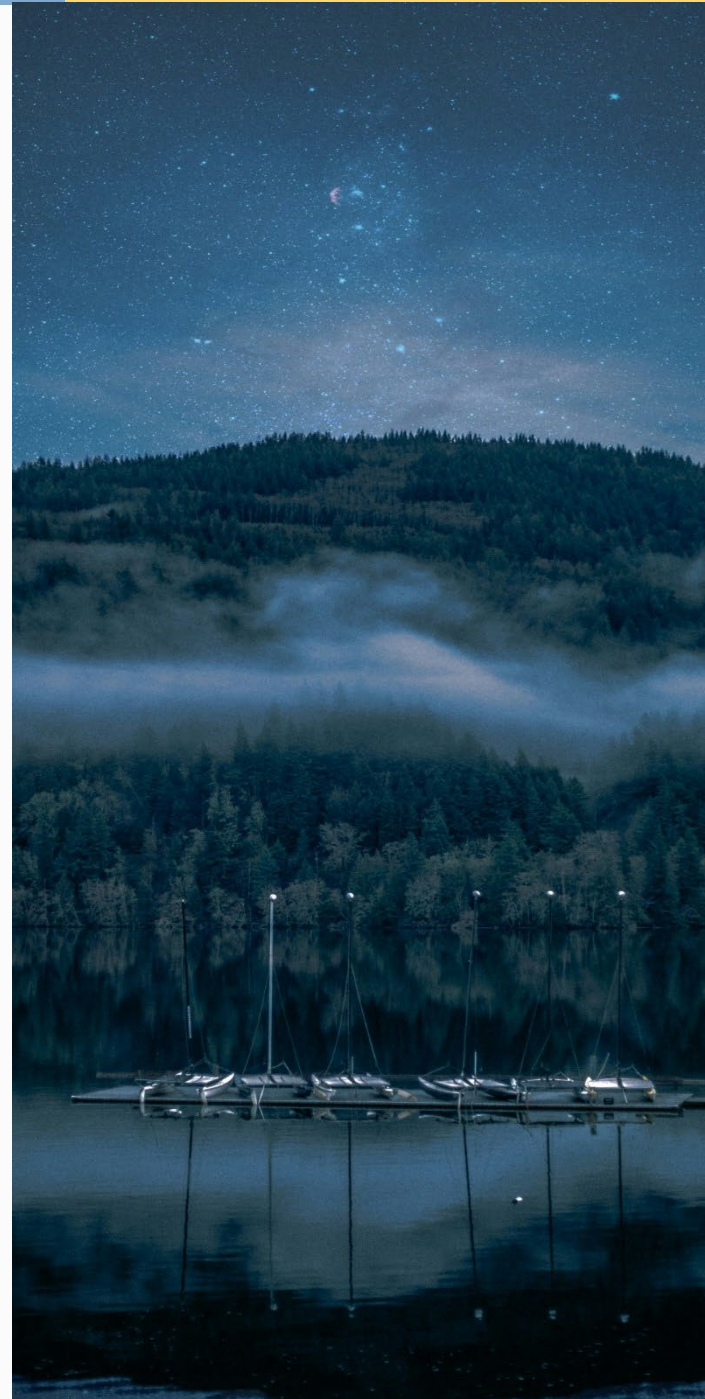
- Based on a paper ([Pan, et al., 2020](#)) that looked at 46 studies across the forestry sector
- 40% of the difference between actual standing carbon and average baseline carbon in a reporting period

AND; adopt CAR 5.1 approach of allowing carryover of “positive” leakage of offset deductions



IFM project leakage rate changes

Taken together, these changes intend to increase the integrity of carbon offset credits issued by more accurately reflecting potential leakage due to project developments.



Project aggregation

- While small projects (<5,000 acres) and projects with unconnected parcels are allowed in the protocol, they are very uncommon
- Smaller projects pay a higher cost compared to larger projects to fulfill protocol requirements, such as inventory and verification



Project aggregation input - Environmental Justice Offset working group

- 5 people said Ecology should adopt a project aggregation option for small landowners
- 1 person said “other”: good data is important, and they support increasing public involvement at many levels
- Additional comments included:
 - Broad support for aggregating projects
 - Suggestion of using tools like LiDAR, satellite data, and community reporting apps (e.g., Survey123)
 - Interest in involving the public more in monitoring and verification



Project aggregation – proposed approach

- Adopt CAR 5.1 approach to project aggregation
 - Sets the sampling intensity at the project aggregate level rather than the project site level
 - Allows for greater sampling error at the site level when more projects are in the aggregate
 - Includes limitations on the size of projects aggregating together

Impact: The number of sampling plots for a smaller aggregated project will be roughly the same as a larger project with the same total acreage.

Example: an aggregate of five 1,000 acre sites (totaling 5,000 acres) will require roughly the same number of sampling plots as one 5,000 acre site

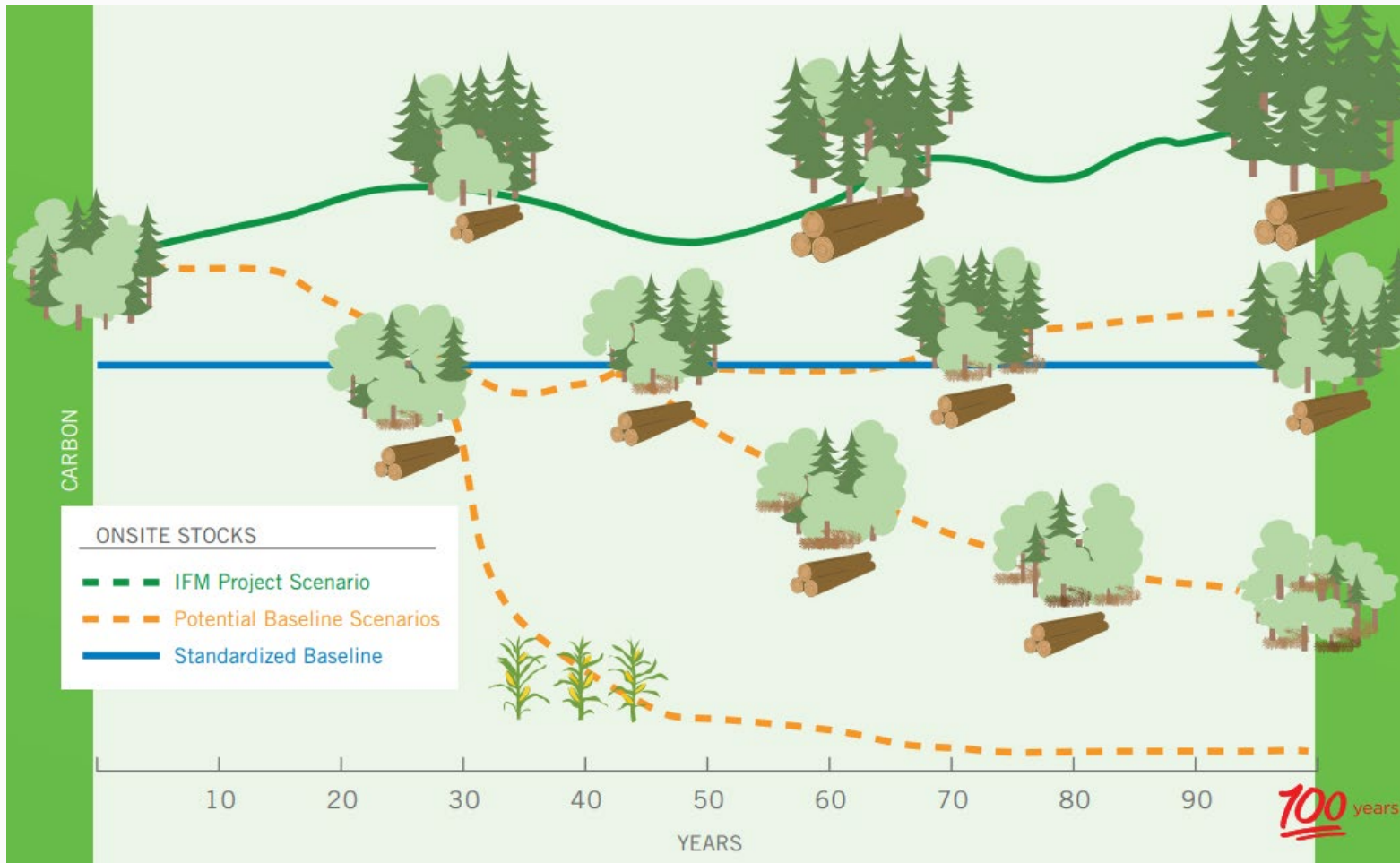


Project aggregation changes

Taken together, these changes will reduce costs related to inventory, sampling, and verification requirements, hopefully encouraging more small landowners to enroll via project aggregation.



Improved forest management (IFM) - baseline



Source: [Climate Action Reserve](#)

IFM baseline revision – proposed approach

- Contracted with Dogwood Springs Forestry
 - Project team includes Washington Conservation Action, Climate Action Reserve
- Revised approach makes the following changes:
 - Projects must identify and report legal constraints and financial viability using new reporting forms created by Ecology.
 - "Common practice" values will be calculated using the public US Forest Service "EVALIDator" tool.
 - A project's initial carbon stocks must fall within the common practice statistic's 90% confidence interval.
 - Credits for avoided harvests are issued gradually over a 10 year period.
 - Baselines reflect changes in market dynamics, legal restrictions, and other factors. Baselines are recalculated every 10 years.

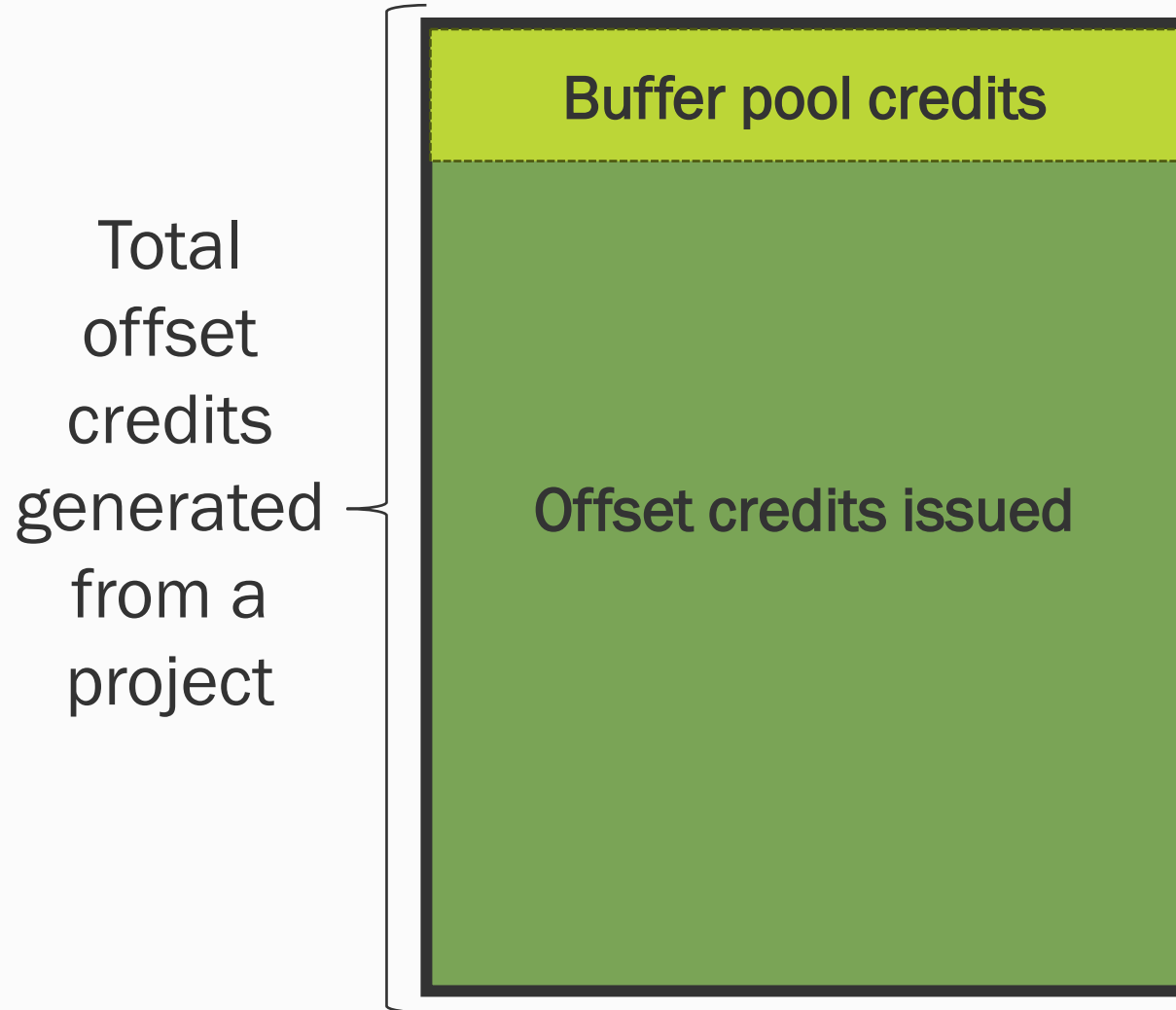


Improved forest management baseline changes

Taken together, these changes intend to make calculating a baseline more accurate, precise, and transparent.



Buffer pool



Offset credits issued =
total offset credits generated
from a project –
buffer pool credits (and
other deductions)

Buffer pool – current protocol

Approx. 10-20% of offset credits go to buffer pool

Assumed risk rating – equal for all projects

- 4% for wildfire
- 3% for disease or insect outbreaks



Buffer pool– proposed approach

- Contracted with Spatial Informatics Group (SIG) to develop a revised buffer pool approach
- Fire and disease risk as estimated at HUC10 scale using National Insect and Disease Risk Map and US Forest Service Annual Burn Probability
- Data can be updated regularly, without a rulemaking
- Significantly increase total maximum buffer pool contribution related to fire and disease risk (from 7% to 20%)
- Increases contribution deductions for comprehensive and verified risk reduction work



Buffer pools changes

Taken together, these changes intend to more accurately reflect the threat of carbon loss within the project area due to disease, fire, etc. and encourage project developers to reduce risk (e.g. prescribed thinning).



Revise forest management criteria

Existing protocol requires adherence to forest management requirements separate from those legally required at the local level

- 40-acre max clear-cut unit size

Ecology received input from Tribes and private landowners that this maximum clear-cut size is overly restrictive, particularly in Douglas fir forests.



Forest management criteria – Proposed approach

Adopt Climate Action Reserve 5.1 forest management requirements

- Maximum size of even-aged harvest block increases with basal area retention

Harvest Retention (Sq. Ft. Basal Area/Acre of All Species)	Maximum Size of Harvest Block (acres)
0	40
>=15 < 20	60
>=20 < 25	80
>=25 < 30	120
>=30 < 40	400
>=40 < 50	600
>= 50	Unlimited

WA protocol requirement for direct environmental benefits (DEBs)

- Ecology is proposing a rule change to require that all projects developed after the adoption of this rule must use a WA protocol to receive DEBs
- In a linked market, projects could otherwise venue shop between CA and WA protocols for most favorable treatment





Environmental Justice Offsets working group input updates



Information transparency

Members wanted to know if project developers could be required to inform the community when a project was going to be developed in their area.

Rule change: Ecology will require registries to notify Ecology of development listing for a project and we will update webpage periodically



Permanence

Members said the 100-year reporting period for permanence could be daunting, especially for families or land trusts, and potentially deter participation.

Response: We are directed by statute for the offsets to be permanent. We are also tasked with creating a compatible market with other jurisdictions to link markets.

- Note: land can be sold and there is guidance in the rule language about the transfer of land



Job impacts

Members said delayed or reduced harvests may hurt sawmills, loggers, haulers, and related rural industries and wondered if Ecology could support a transition

Response: Ecology's economists will consider this input as they complete their analyses.

Other areas of the protocol and rule that address this concern:

- Revised forest management criteria – allows projects to harvest more timber if they wish
- Avoided conversion projects can be harvested
- Refining the leakage deduction rate



Website and communication

Members said it was difficult to find relevant documentation on our webpage and often the information was not clear or accessible.

Response:

- Currently reviewing and will revise offset webpages to create clearer pathways to offset project content and plain talk

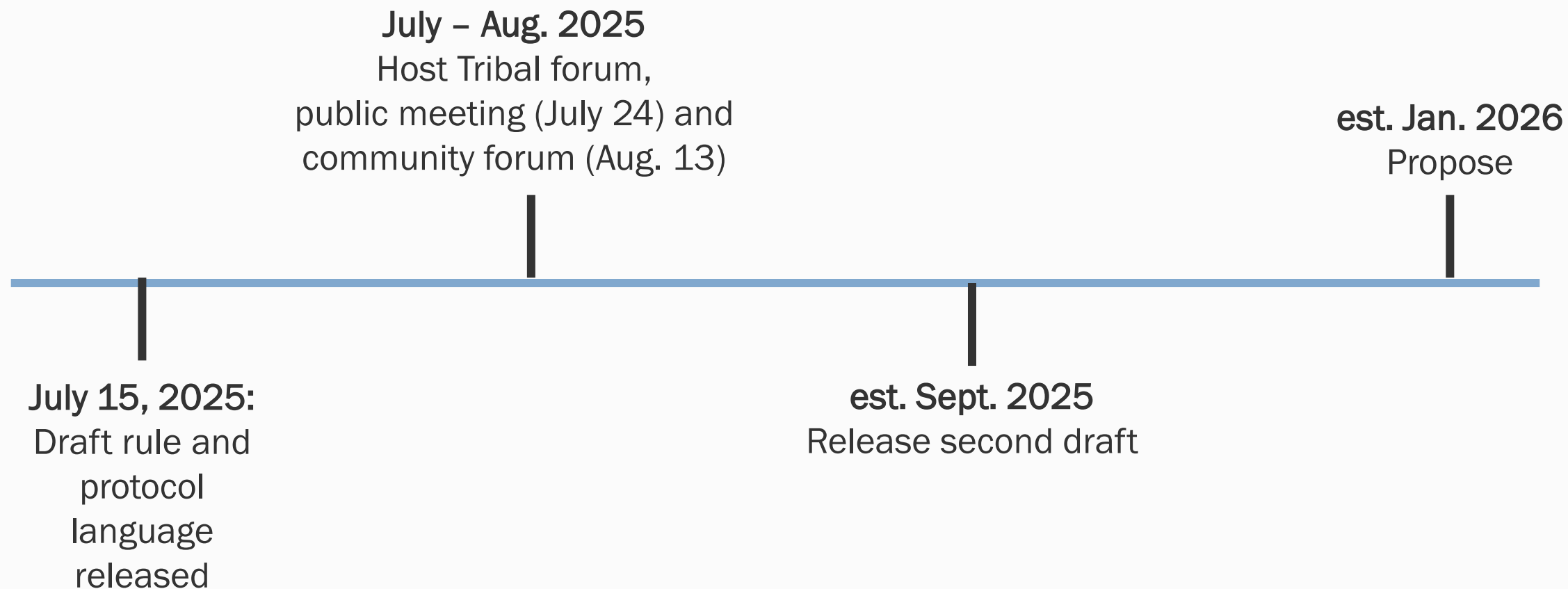




Discussion



Timeline



Reminders

- Compensation
- [U.S. Forest protocol public meeting](#) – July 24, 9 – 11 a.m.
- [Community forum for Cap-and-Invest rulemakings](#) – Aug. 13, 2 - 3:30 p.m.
- [Air quality rulemaking](#) – **Public meeting today, 6 – 8 p.m.**

The agenda will include:

- Recap of discussions from prior meetings
- Presentation on emissions reduction strategies, stricter standards, and issuing orders
- Information on upcoming draft rule language
- General discussion (opportunity to ask questions or provide input)





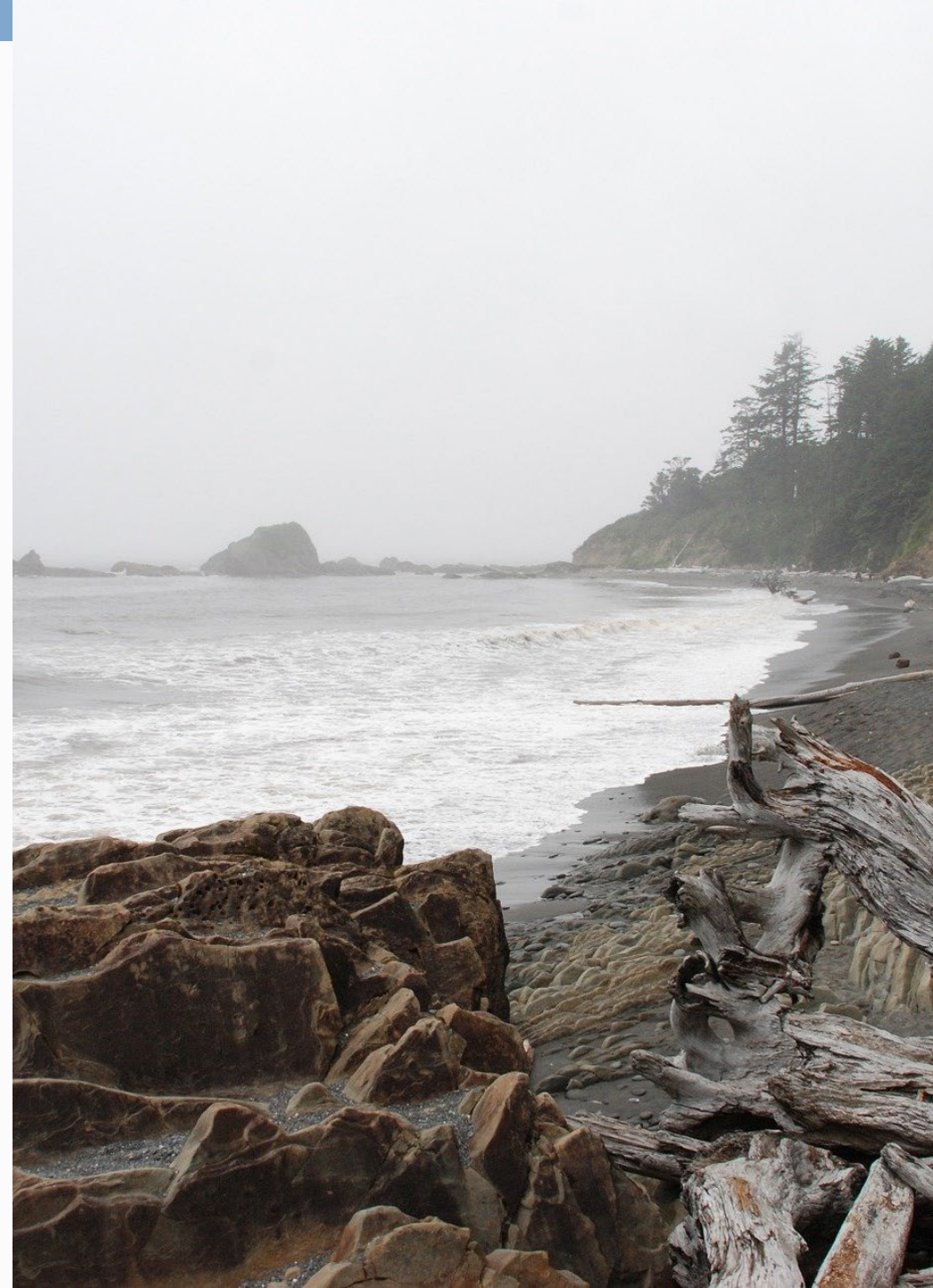
Public comment period



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 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



Thank you!



Meg Baker

meg.baker@ecy.wa.gov

Jordan Wildish

jordan.wildish@ecy.wa.gov