



Forest Offset Protocol Technical Working Group

Meeting #5



Agenda

- Topic #1 Avoided Conversion Baseline
- Topic #2 Reforestation Baseline
- Topic #3 IFM projects on non-federal public lands
- Introduce topics for next meeting
- Public comment opportunity



DEPARTMENT OF ECOLOGY State of Washington

Zoom tips and tricks



Please rename yourself with your affiliation: Click on 'Participants,' hover over your name Click 'More' then 'Rename.'



Attendees use the Raise Hand feature during public comment period.



Panelists please keep your video on as bandwidth allows.

Reminder: Role of this working group

- This working group is not tasked with making consensus recommendations 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

Disclosure of relevant financial interest or professional engagements

- At the start of each meeting Ecology will ask working group participants to disclose any financial interests or professional engagements related to the considered protocol revisions being discussed
- Disclosure of a relevant financial interest **does not preclude** participation in the discussion

Examples of financial interests relevant to today's discussion

- Ownership, involvement, or other interest in avoided conversion, reforestation, or IFM-public lands offset project
- Intention or consideration of development of a forest offset project in Washington's market (or employment at an organization with the intention or consideration of development of a forest offset project in this market)
- Any other financial interests that may be perceived as pertinent to this discussion

Disclosures shared in prior meeting

Prospective project development	Other experiences related to project development	Experiences related to registration, verification, or protocol development
Mike Warjone – Port Blakely	Sheldon Zakreski – Living Sky Carbon Solutions	Jon Remucal – Climate Action Reserve
Steve Hinton – Tulalip Tribes	Felipe Casarim – BP	Tani Colbert Sangree – GHG Institute
Jonathan Pomp – Green Assets		John Nickerson – Dogwood Springs Forestry
Jeremy Koslowski – The Climate Trust		
Edward Mann – Global Forest Carbon		
Ed Murphy – Sierra Pacific Industries		
David Ford – L & C Carbon		
Kathleen Farley Wolfe – King County DNR		
Ben Parkhurst - Anew		

Disclosure opportunity



Please use the raise hand feature to share a relevant disclosure



Topic #1: Avoided Conversion (AC) Project Baselines

- Overview of avoided conversion baseline setting approach
- Discussion
- Poll



AC Forest Project Baselines

- Baseline is intended to represent a conservative business-as-usual scenario
 - For forest projects the baseline is intended to reflect what would have occurred absent the project
- Projects must be located on private lands (may be converted to public ownership)
- Projects must establish a qualified conservation easement or transfer to public ownership

AC Forest Project Baselines

- Baseline is based on:
 - Highest value alternative land use (residential, mining, agricultural, recreation, commercial or industrial), as identified by an appraisal
 - Estimated rate of conversion and removal of onsite carbon stocks, in consideration of all applicable laws, regulations, and relevant planning documents (e.g. construction plans)
 - Absent a specific planned conversion rate default rates are provided in the protocol
 - Default rates assume a 10 year conversion to highest value use
- Appraisal plays a key role in project baseline setting
 - Appraisals must conform with standards of Professional Appraisal Practice, and appraiser must meet IRC qualification standards

AC Forest Project Baselines

- Conversion rate is applied to the initial onsite carbon stocks at the time of project commencement
- A conversion uncertainty factor is applied if the appraised fair market value of the anticipated land use is not more than 80% greater than value of the current forest land use for the project area
 - After initial verification, the uncertainty discount does not change
 - Value of anticipated land use must be at least 40% greater than current forest land use or no credits can be issued to project

AC Forest Project Credit issuances

- Issued credits reflect the difference between on site carbon stocks and modeled baseline
- Because the baseline reflects a gradual conversion, the issuance of credits to AC projects is often roughly consistent from reporting period to reporting period – for the first 10 years

Alternative approaches in the voluntary market

• CAR 5.1

- More specific requirements for appraisal reports:
 - Presentation of evidence that sufficient demand exists to support highest value described use
 - Evidence of soil and water suitability for highest value use
 - A separate valuation for ongoing forest management prepared by a certified and registered forester

Deductions

- AC Project uncertainty factor
- Secondary effects



Discussion

- Corrections, context, and clarifications related to avoided conversion projects
- What are the strengths and weaknesses of this approach to avoided conversion project baseline setting?
- Are there elements of the AC baseline setting approach that warrant revision? If so, how?
 - Should Ecology consider approaches to reduce the reliance on a single appraisal to determine the baseline? If so what approaches should Ecology consider?





Topic #2: Reforestation Project Baselines

- Overview of reforestation project baseline approach
- Discussion
- Poll



Reforestation Forest Project Baselines

- Projects may be located on private or public lands
- Existing carbon stocks (prior to reforestation) must be inventoried, and carbon stock changes must be modeled over a 100 year time scale
 - Inventorying may be deferred until the second verification, as newly planted trees cannot be easily verified
 - No credits can be issued until the project has been inventoried
- If harvesting of pre-existing trees would occur in a business-as-usual scenario, carbon stored in wood products is included in project baseline

Reforestation Forest Project Baselines

- Credits issued reflect the difference between onsite carbon in a reporting period and the modeled baseline
- Reforestation projects would be expected to accrue credits slowly over time as reforested trees grow
- Very few reforestation projects have been developed through this protocol

Deductions

- Secondary effects
 - Emissions associated with site preparation
- Leakage associated with shifting of cropland or grazeland activities if that was existing use of the site



CARB Offset Taskforce recommendation

- Provide a streamlined option for baseline setting, akin to common practice values at the supersection level for IFM projects
- Inventorying often must be deferred until the new trees are at least 10 years old, meaning proponent can't easily estimate the credits that will be generated by a project until several years into the project

Discussion

- Corrections, context, and clarifications related to reforestation projects
- What are the strengths and weaknesses of this approach to reforestation baseline setting?
- Are there elements of the reforestation baseline setting approach that warrant revision? If so, how?
 - Does a streamlined approach to reforestation baseline setting effectively address the primary barriers to reforestation project development?





Topic #3: Baseline for IFM projects on public lands

- Overview of public land baseline setting approach
- Discussion
- Poll



IFM Forest Project Baselines on public lands

- For IFM projects on public lands, proponent must:
 - Inventory existing carbon stocks
 - Project future changes to carbon stocks within the project area by extrapolating from historical trends
 - If projects have a 10-year history of declining carbon stocks the baseline is the average of the carbon stocks over the past 10 years, and will remain static over the project's life
 - If project have a 10-year history of increasing carbon stocks, the growth trajectory of the baseline should be estimated to increase until the stand composition is consistent with comparable forest areas that have been relatively free of harvest over the past 60 years
 - Baseline must take into account all relevant public policies that impact the project site

IFM Forest Project Baselines on public lands

- Projects on *federally* owned public lands are not eligible for project development
- No non-federal public lands projects have been developed using this protocol to-date, but projects have enrolled in voluntary carbon markets using different protocols

CARB Taskforce recommendation

- Provide a simplified method for estimating baseline onsite carbon stocks on public lands
- Provide guidance to clarify ambiguous terms in the protocol "relatively free of harvest", "comparable forested area"
 - Establish approved criteria to guide modeling
- Consider CAR Forest Protocol 5.0/5.1 approach
- If forest was acquired from a private landowners within the last 15 years, allow proponents to use IFM private baselines baseline quantification approach

CAR 5.1 Public Lands Baseline Quantification

- Baseline assumes that project area is at a rotation age comparable with other forests in the assessment area (based on FIA data), and applicable regulatory and legal constraints
- Public lands projects may use the "Carbon Online Estimator" tool to identify common rotation ages in the assessment area – tool is currently not operational

Discussion

- Corrections, context, and clarifications related IFM projects on public lands
- Should baseline quantification for IFM projects on public lands differ from baseline quantification for projects on private lands?
- Can revisions to baseline setting requirements for public lands projects make these projects feasible or are the other constraints in the protocol (e.g. 100 year project length) more salient?





Next steps

- Meeting #6 is **12/3/2024** at 9 am P.T
- Topics for Meeting #6
 - Leakage deduction
 - Forest management requirements and restrictions



Thankyou

Contact: CCAOffsets@ecy.wa.gov

Public Comment Opportunity

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 or offset projects
- Ecology will not respond to comments in this meeting
- Please use "raise hand" button to indicate that you wish to provide a comment



Thankyou

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