

## Summary notes US Forest Technical Working Group #3

### Topic 1 – Alternative accounting for certain types of intentional reversals

How would these new types of reversal impact developer or landowner decision making?

- Understand concept but a planned reversal can be planned for and there shouldn't be abandoned or orphaned offsets because it can be planned with forest management – just not sell or offer credits when planned reversal is coming up. The future growth is new additionality. For intentional reversals there was something done outside the planned proposal. Agree for computational for more technical reversals and sometimes growth rates change and that sort of negative carrier could be judge. Not sure how growth rotation
- Does recalculation due to computational affect credit level and buffer pool. Would it require an increase in buffer pool credits.
- There should be some space for computational errors and technical recalculation, which is outside the landowners control or ability to predict
- Ecology should consider how the market would be made whole if there are an extended period of time where in a proponent was allowed to run a project-level credit deficit
- Ecology should also consider how the market would be made whole if a project was terminated while in a credit deficit
- This change could add complexity to Ecology's carbon credit accounting processes, which needs to be assessed and understood
- A 35% computational error would be very large and highly unlikely, further discussion is needed on safeguards are appropriate here
- The need for a planned reversal category can be mitigated with proactive management planning, although some conditions like blow downs and insect infestations may require an reduction in stocks that landowners can't plan for

Are the conditions that would result in a computational or technical reversal common?

- Growth may be overestimated due to drought, or there were inventory error estimates, but these errors would likely be uncommon
- Computational reversals have been quite rare
- Technical reversals may occur as a result of changes to elements of growth model rather than changes to the model itself

Does this change positively or negative impact any of Ecology's programmatic goals for this rulemaking?

- For small forest landowners change provide some additional assurance
- Any additional flexibility that can be added to the protocol is beneficial, and this change is just one of many opportunities

## Topic 2 – Remove requirements prohibiting a net decrease in carbon stocks as a project eligibility condition

What additional considerations or context related to this topic should Ecology be ware of?

- The protocol rewards high carbon stocks – but these changes seek to provide flexibility to allow for decreases in carbon stocks, there is perhaps a tension between the incentives for high carbon stocks and the incentives for forest resiliency
- Ecology should consider an alternative approach for small landowners that allows deviations from the initial management plan
- Ecology should consider how this change may impact the buffer pool

How would these change impact landowner activities on a forest site? Do these changes improve the ability for small landowners to participate in the market?

- Having the flexibility in the future is necessary, and this doesn't change the incentive for projects to avoid decreases in carbon stocks (which still must be compensated)
- The original intent of this provision may have been to exclude highly risky projects, and that original intent should be considered in how we proceed with this change

Does these change positively or negatively impact any of Ecology's programmatic goals for this rulemaking?

- Allowing for additional flexibility allows more participation, this may help small landowners participate in the market

## Topic 3: Buffer pool contribution structure

For those who feel the existing structure is not adequate, what alternative approaches should Ecology consider to set buffer pool contribution limits?

- To private landowners buffer pools are seen as a take – Ecology should consider allowing
- Fire risk calculation should be more rigorous. Fire risk should be higher in highly fire prone areas
- The buffer structure is relatively new, and accuracy cannot yet be fully understood. Salvage logging and reforestation can ameliorate the need to increased buffer pool contributions
- There is ample government provided spatial area to better identify highly fire prone areas
- There should be clarity around whether salvage harvesting counts to intentional or unintentional reversals
- With natural disturbance risk, have better government regulated surveillance data. Clarity around salvage harvest and do they account as intentional or unintentional reversal
- Changing risks due to climate change should be incorporated
- Current literature shows concerning results to match fire risks and is affecting integrity of buffer pool and its ability to ensure permanence.
- In a linked market two divergent forest protocols could create adverse interactions if strong change to the buffer pool aren't reflected in California buffer pool
- Ecology should study buffer pool adjustments and buffer pool risk regularly, on a predictable schedule
- Between state and within states there is a significant difference in fire risk

- A fire does not mean that the carbon in a forest is gone, buffer pool withdrawal calculation methodologies should also be considered as part of this change

Due to time, we were not able to finish our discussion on the buffer pool and will continue it at the next meeting.