

# Summary notes US Forest Technical Working Group #5

November 12, 2024



## Topic 1 – Avoided Conversion (AC) Project Baselines

### Corrections, context, and clarifications related to avoided conversion projects

- Soil carbon was credited in prior versions of the protocol, but soil crediting is no longer allowed in CARB's methodology.
- The monetary value of pursuing the highest value identified use will typically be greater than the revenue generated by sale of carbon credits.

### What are the strengths and weaknesses of this approach to avoided conversion project baseline setting?

- Reliance on a single appraiser creates an opportunity for bias and inaccuracy
- The project verifiers will generally not be knowledgeable about land appraisals and cannot verify to validity of an appraisal.

### Are there elements of the AC baseline setting approach that warrant revision? If so, how?

- Verifiers could be required to retain a qualified expert to evaluate an appraisal.
- Ecology should consider whether soil carbon retention could be credited in some instances if there is a clear and demonstrable risk of soil carbon loss due to conversion.
- Requiring a second appraisal would improve methodological rigor.

## Topic 2 – Reforestation Project Baselines

### What are the strengths and weaknesses of this approach to reforestation baseline setting?

- Growth models presume continued growth over the coming decades, the models do not account for climate related changes in species composition or growth.
- Salvage logging triggers reforestation requirements in Washington, meaning that post fire reforestation in Washington would be ineligible for crediting if the forest is salvage logged.
- Protocol needs to prevent conversion of non-forest ecosystems to forests for the generation of forest offset credits.
- Restoration of native habitat, not necessarily forests, should be eligible for offset credit generation.
- The amount of contiguous land that is eligible and suited for reforestation is not large; approaches to support small projects or project aggregation would support reforestation project development.
- A significant amount of forest lands will naturally regenerate post-fire, which further fragments the eligible land area.
- Reforestation of former agricultural lands is a significant opportunity but would require aggregation to be financially feasible.

Are there elements of the reforestation baseline setting approach that warrant revision?  
If so, how?

- There could be changes to the legal requirements, common practice, etc over a 100 year crediting period, however those changes would not require recalculation of the baseline. This could be addressed through a form a dynamic baseline assessment.
- California's regulation requires project listing within one year of first reforestation activities, which restricts market access.

Does a streamlined approach to reforestation baseline setting effectively address the primary barriers to reforestation project development?

- Streamlined approach will support project development, however, the approach may not address the cost problem since there are other costs including verification and long period of time before the first issuance.
- Baseline setting at a supersection level would help to reduce baseline development, but baseline development is only one of many costs
- VM0047 provides an approach for small scale reforestation with reduced costs

### Topic 3 – Baseline for IFM projects on public lands

Corrections, context, and clarifications related IFM projects on public lands

- Approved optional tool for public lands in CAR's 5.1 protocol is not currently operational – and has not been operational for multiple years.
- WA DNR does not wholly manage by rotation age, which could make the streamlined approach hard to implement.
- Simplified baseline setting approach assumes even aged management – and do not account for habitat preservation activities that reduce or restrict harvest.
- University of Washington is pursuing an approach to baseline quantification statewide for forestry projects.
- If constraints (such as habitat conservation requirements) change through the life of the project a static baseline will no longer reflect a conservative business-as-usual scenario.

Should baseline quantification for IFM projects on public lands differ from baseline quantification for projects on private lands?

- Private IFM baseline approach is based on comparison with peers, but for public lands its hard to find peers – which warrants this alternative approach.

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?

- ACR's approach may provide a more viable option for public lands by using comparable properties – and also includes a dynamic baseline component.
- ACR's comparable properties analysis works well, but there are still some concerns and constraints with that approach

- An investment based baseline setting approach – potentially developed by a University – could help to improve viability for public lands IFM projects

## Next Meeting

December 3<sup>rd</sup>, 2024 9 am –11 am

Topics:

- Leakage deduction
- Forest management requirements and restrictions