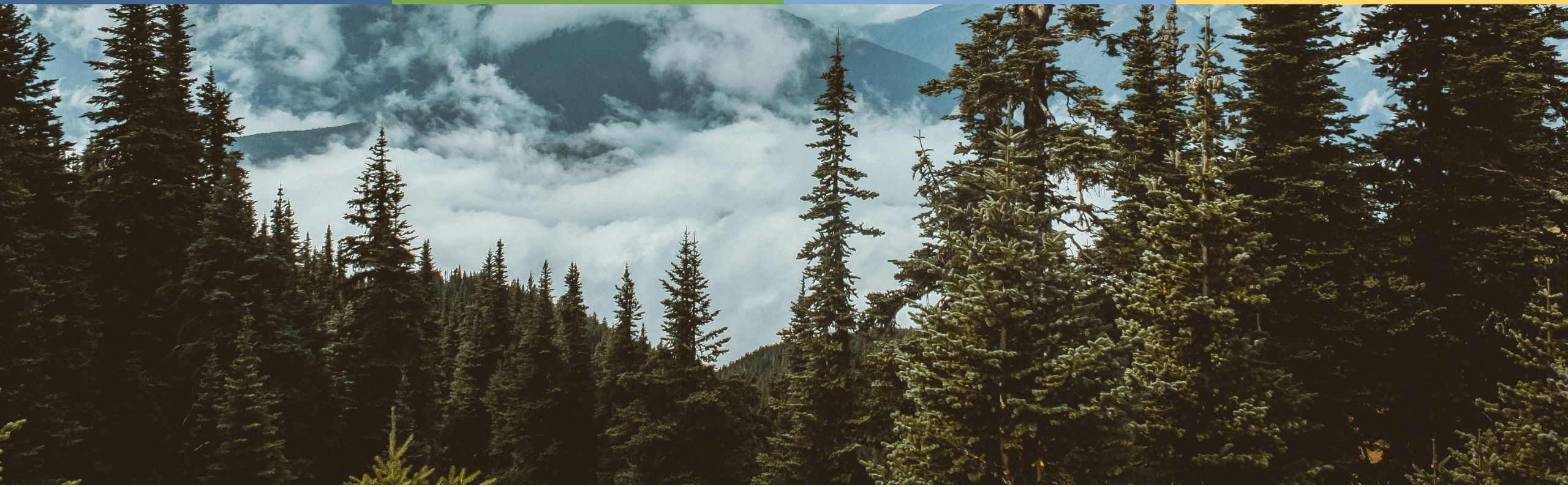


DEPARTMENT OF ECOLOGY
State of Washington

Environmental Justice Offsets Working Group

Meeting #8

April 23, 2025

Welcome

- Meg Baker – Facilitator, Community Outreach and Engagement Specialist
- Jordan Wildish – Senior Environmental Planner
- Kayla Stevenson – Offsets Rulemaking Lead, 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

Agenda

1. Community agreement – check in
2. Icebreaker
3. Leakage deduction rate
4. Reducing barriers for small landowners
5. Public comment period

Community agreement

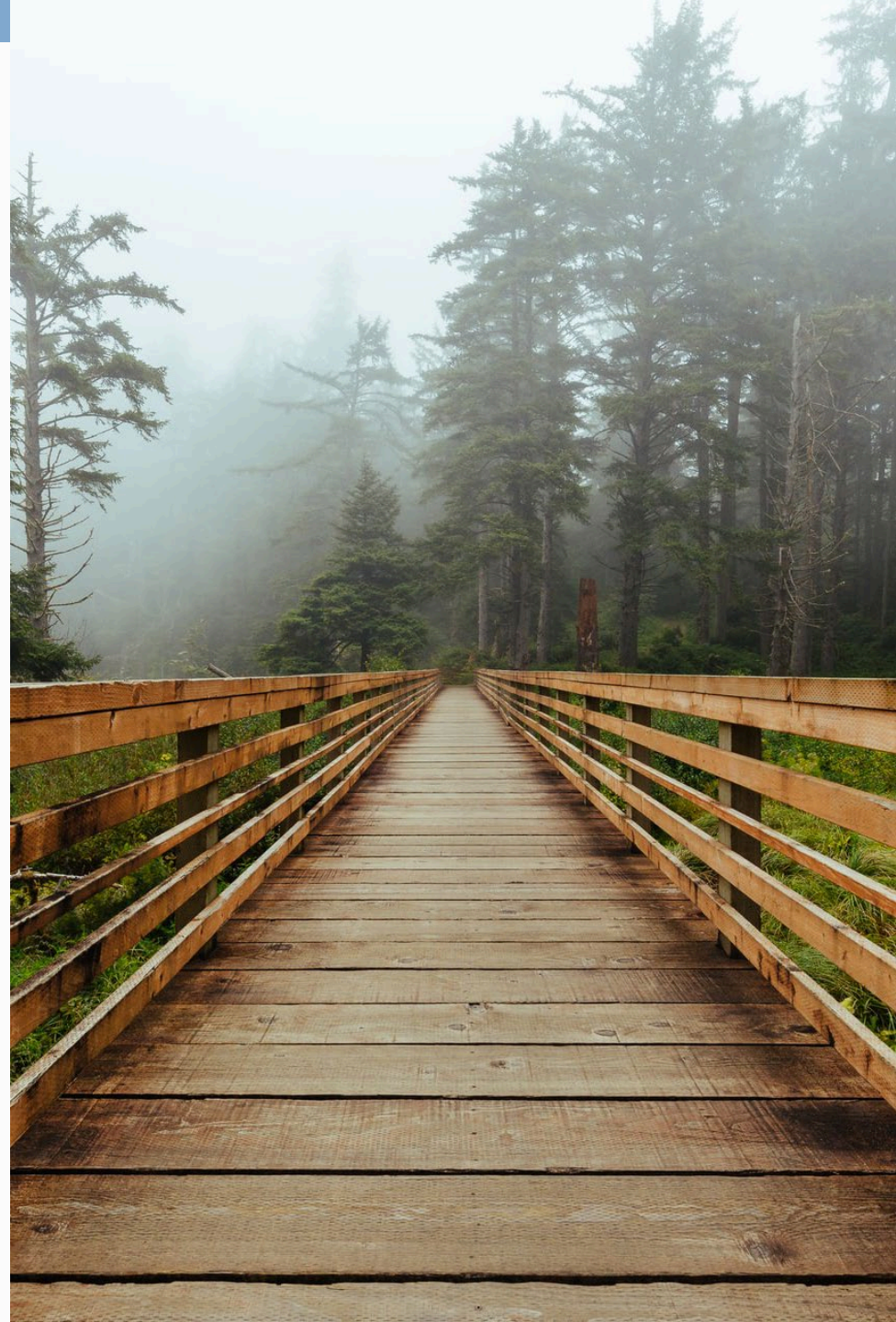
Community Agreement

- **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

Icebreaker

Mentimeter Icebreakers

- If someone was visiting Washington for the first time, what natural place in your area would you recommend they go and why?



US Forest protocol

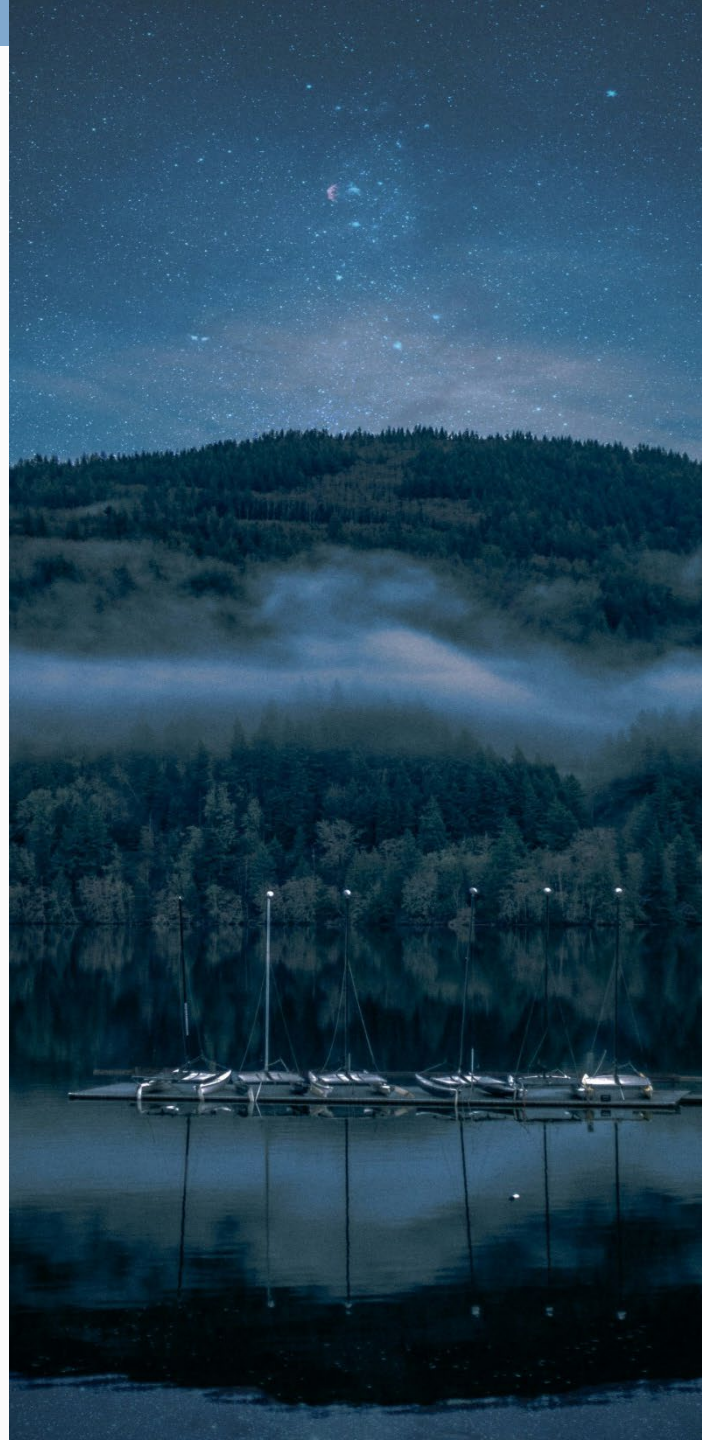
Proposed topics

- Leakage deduction rate
- Barriers to development for small landowners
  - Complexity and cost
- Baseline setting for private IFM projects
- Buffer pool contribution structure

Topic #1 – Leakage deduction

Discussion

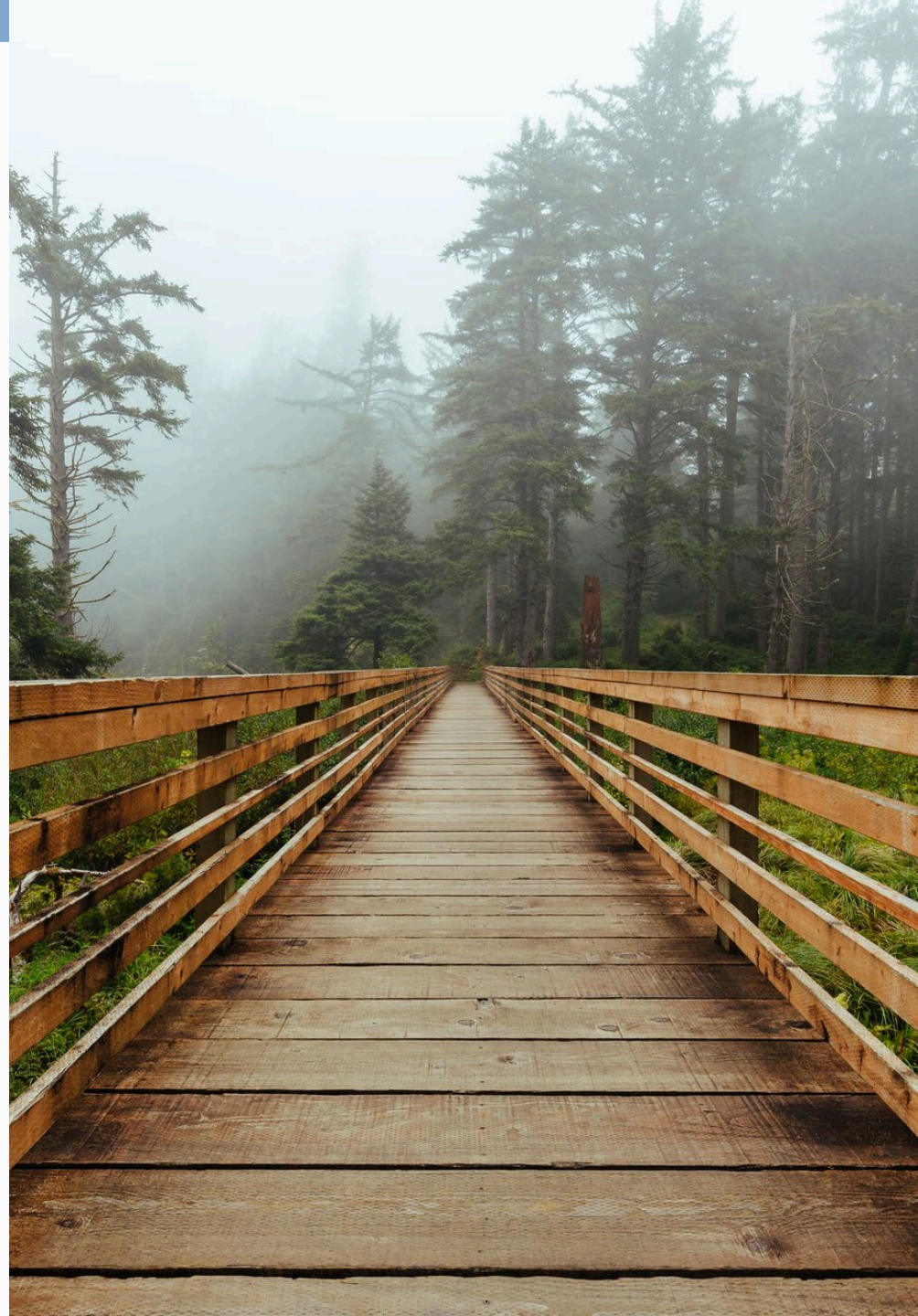
- What questions do you have about this topic?
- How might a revision to the leakage rate impact communities, landowners, and other engaged parties?
- What environmental justice related impacts (positive or negative) do you believe could occur as a result of a revision to the leakage rate?



Topic #2 – Reducing barriers for small landowners

Topic #1: Small Forest Landowner Accommodations

- Overview of proposed approaches to support small forest landowner project development
- Discussion
- Poll

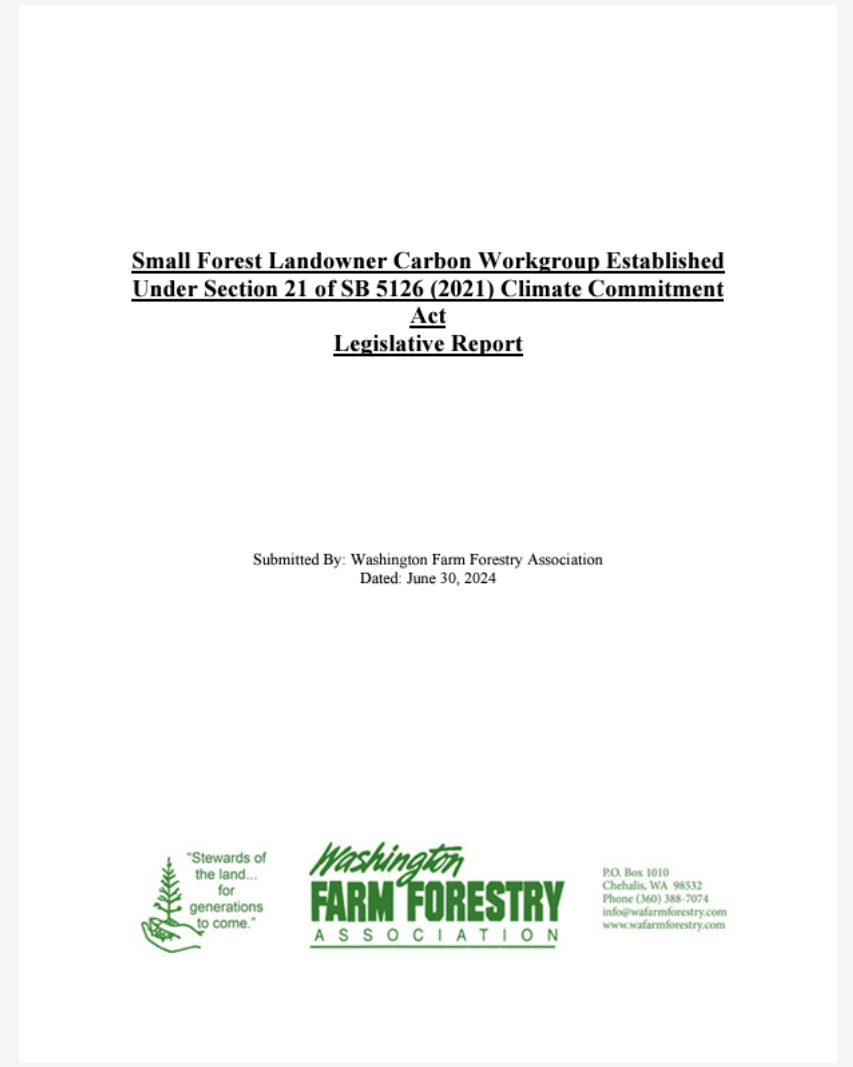


Small Forest Landowner Definition

- Small Forest Landowner is defined differently by different groups
- In WA regulations, small forest landowners are defined as private landowners owning less than 5,000 acres
- 15% of WA forests are owned by small forest landowners
- Of this 15%, about half of that is owned in increments of <100 acres

Small Forest Landowner Working Group

- Led by Washington Farm Forestry Association
- Recommendations to Ecology to address barriers for small landowners:
  - Simplify participation requirements
  - Less restrictive forest management requirements
  - Shorten required project life
  - Facilitate use of a streamlined inventory and baseline development tool
    - Ongoing research being conducted by the Natural Resource Spatial Informatics Groups at UW



Small Forest Landowner Carbon Workgroup Established Under Section 21 of SB 5126 (2021) Climate Commitment Act
Legislative Report

Submitted By: Washington Farm Forestry Association
Dated: June 30, 2024

"Stewards of the land... for generations to come."

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Small Forest Landowner Assistance

- Cost of offset project development in this protocol makes positive returns unlikely for smaller parcels of land
- Inventory and verification costs are not proportionate to project acreage – smaller projects experience a disproportionate cost burden for inventory and verification
- Targeted changes for small landowners:
  - Process for combining multiple projects (project aggregation) into a single listing
  - Reduced number of verifications and/or intensity for smaller projects

Small Forest Landowner Assistance

- In the existing protocol a project's area can be connected or separated into tracts
  - But may not extend across more than two adjacent supersections

- However, enrolling separate parcels into the market as a single project may not create significant cost savings compared with enrolling each tract individually – due to inventory, sampling, and verification requirements in the protocol

Forest Carbon Confidence Deductions

Table A.4. Forest Carbon Inventory Confidence Deductions Based on Level of Confidence in the Estimate Derived from Field Sampling

Sampling Error (% of Inventory Estimate)	Confidence Deduction
0 to 5.0%	0%
5.1 to 19.9%	(Sampling Error – 5.0%) to the nearest 1/10th percentage
20% or greater	100%

Climate Action Reserve US Forest 5.1 Aggregation Approach

- CAR 5.1 Protocol supports project aggregation by reducing sampling intensity for individual projects within an aggregate – which reduces both inventory and verification costs
- Target sampling error for each individual project (level above which a confidence deduction is applied) increases by number of projects in the aggregate
  - 5% for 1 project
  - 7% for 2 projects
  - 20% for 15+ projects

CAR US Forest 5.1 Aggregation Approach

By allowing greater sampling error each individual project in the aggregate can be sampled less intensively

Number of projects in the aggregate	Total plots in CAR 5.1 Aggregation Approach	Total plots if each project enrolled individually
2	340	725
5	337	1,797
10	333	3,573
25	330	8,947

CAR US Forest 5.1 Aggregation Approach

- 50% of projects in the aggregate must have completed a site visit verification in the past 6 years
  - All projects in the aggregate must undergo a site visit at project initiation
- Project monitoring reports for projects in the aggregate are randomly audited by the verifier
- An individual owner may enroll up to 25,000 acres in an aggregate; no limit on the total acreage that can be enrolled in an aggregate
- In aggregates of 3+ projects no single project may comprise more than 50% of total combined area in the aggregate
- All owners in aggregate must register with the Reserve
- Aggregates may span IFM, reforestation, avoided conversion project types

Verification Requirements in the existing protocol

- Projects must undergo verification of Offset Project Data Reports, including a site visit at least once every six years for the life of the project (even if no offset credits are requested)
- Projects may undergo less intensive verification (desk review) in the interim years between site visits

Reduced verification intensity/frequency

- CARB Taskforce recommendations:
  - Projects generating 10,000 or fewer credits in a reporting period may defer a site visit verification for up to 12 years or until 120,000 credits have been accumulated
  - Any project not seeking credit issuance at the time of required site visit verification can instead undergo a desk verification
  - All projects that defer a site visit verification beyond 6 years must monitor and report canopy cover annually using remote sensed data. Canopy cover decline >5% in a reporting period triggers site verification

Reduced verification intensity/frequency

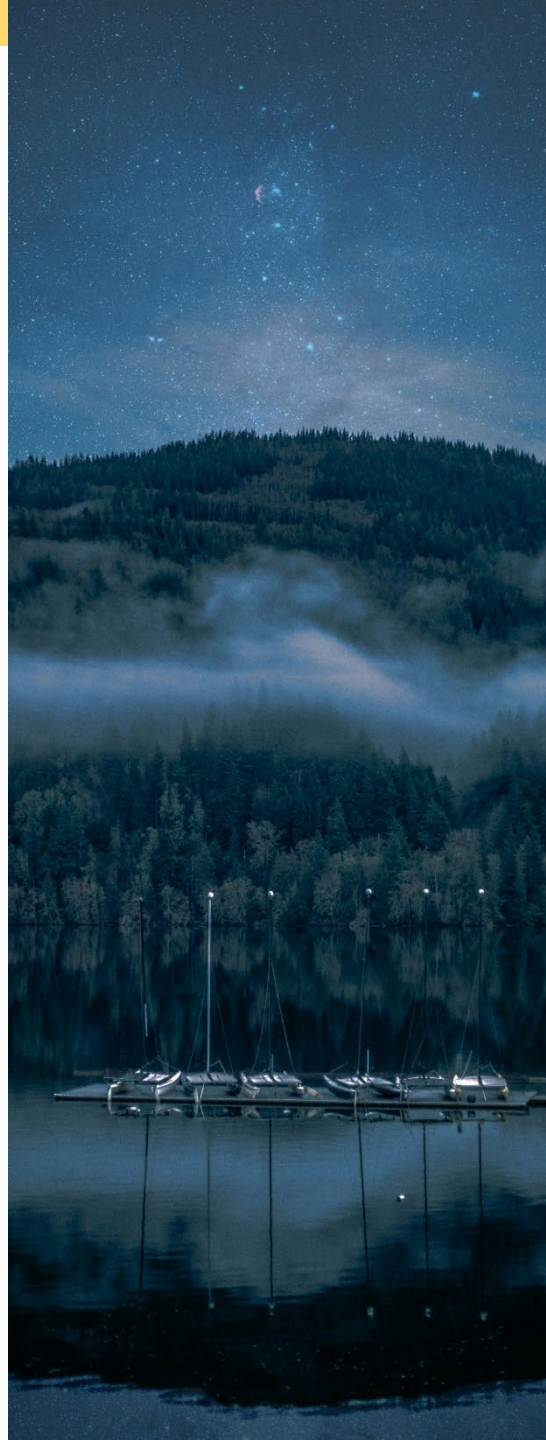
- CAR US Forest Protocol 5.1
  - Projects generating **4,000** or fewer credits in a reporting period may defer a site visit verification for up to 12 years or until **48,000** credits have been accumulated
  - Any project not seeking credit issuance at the time of required site visit verification can instead undergo a desk verification
  - All projects that defer a site visit verification beyond 6 years must monitor and report canopy cover annually using remote sensed data. Canopy cover decline >5% in a reporting period triggers site verification

Family Forest Carbon Program

- Project listed with Verra's VM0045
- Sole proponent, 165 different sites enrolled as part of a single 14,339 acre project
  - Site acreage range from 4 acres to 1,100 acres (avg ~87 acres)
  - Sites are located in PA, MD, WV
- Geospatial data that is regionally specific allows for enrollment of this project in the protocol

Discussion

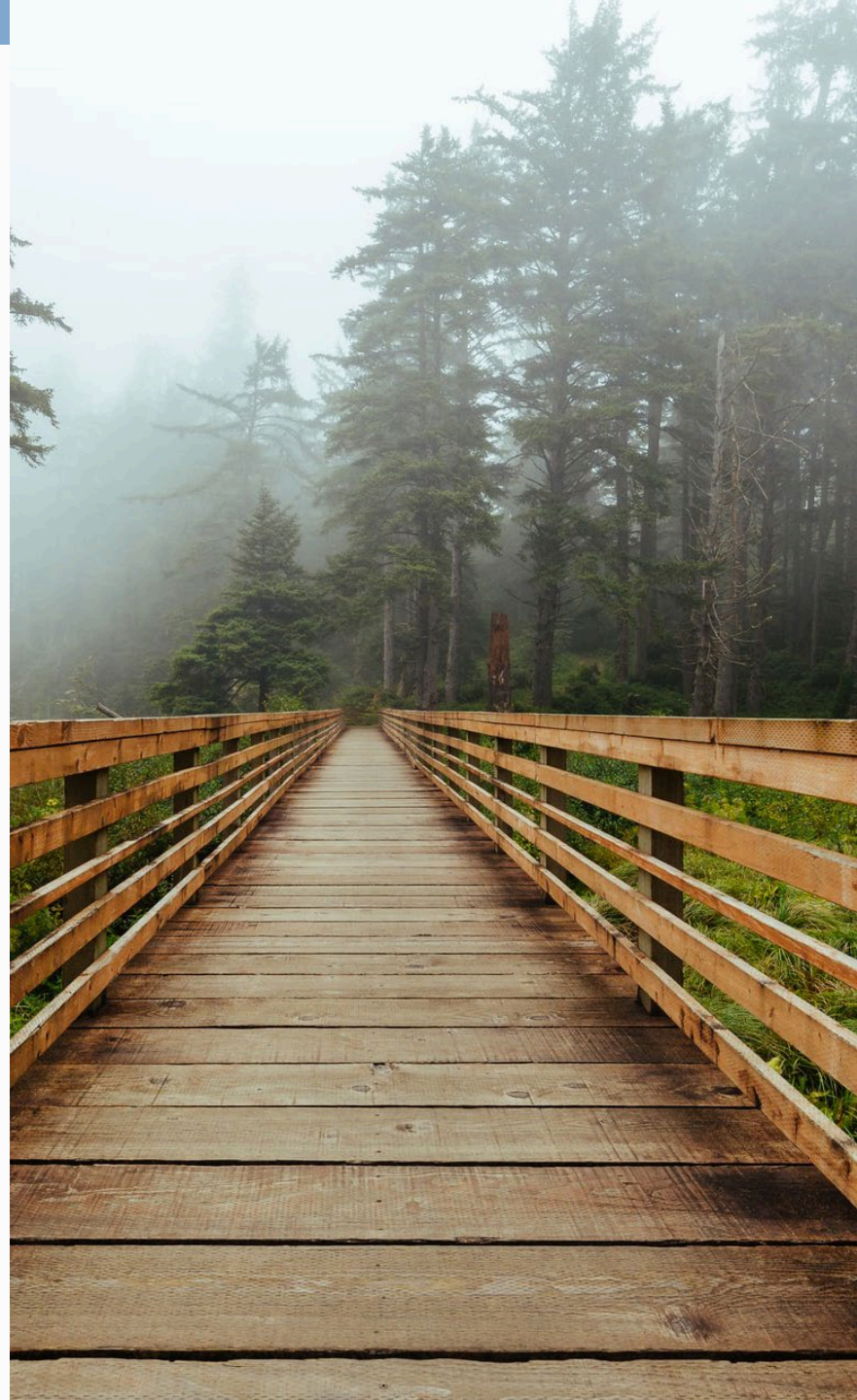
- Corrections, context, and clarifications related to project aggregation
- How should Ecology consider the trade-offs between precise carbon calculations and market access for smaller landowners?
- In your view, should smaller landowners be granted additional flexibility/reduced requirements for forest inventory and verification?
- What other approaches should Ecology consider to reduce barriers for small forest landowner project development?



Poll

Reminders

- Compensation
- Air quality rulemaking
  - Determining processes and strategies for emission reductions to achieve air quality targets in overburdened communities initially identified by Ecology.
  - Other rule language necessary for implementation.



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State of Washington

Thank you!

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