

Washington Forest Protection Association

Please see the attached PDF for our comments.



WASHINGTON FOREST PROTECTION ASSOCIATION
724 Columbia St NW, Suite 250
Olympia, WA 98501
360-352-1500 Fax: 360-352-4621

Re: Informal Comment Period on Climate Commitment Act Program, Chapter 173-446 WAC

Please accept these comments as part of the informal rulemaking process for the ongoing Climate Commitment Act Program rulemaking process on behalf of the Washington Forest Protection Association (WFPA). The WFPA is a trade association representing private forest landowners with over 40 member companies and individuals who collectively own nearly four million acres of private forestlands in Washington. Although our membership is diverse in terms of size, management structure, and forest management approaches, the organization is unified behind a commitment to engaging proactively in helping Washington craft forestry offset rules that capture the potential value of our state's forests. These comments are limited to the forestry offset portion of the current rulemaking process.

WFPA has been an active participant in supporting Washington's efforts to understand and harness the potential of our forests and forest products in reducing atmospheric GHG emissions. The WFPA staff and member companies were part of multi-stakeholder Forest Sector Workgroup on Climate Change Mitigation, chartered in 2008 by the Director of the Department of Ecology and Commissioner of Public Lands, per direction from Washington Legislature in E2SHB 2815. And again, in 2010, the WFPA staff and member companies participated in a follow-up Forest Carbon Workgroup, also commissioned by Department of Ecology and Department of Natural Resources, per direction from Executive Order 09-05 and ESHB 2541. Most recently, WFPA member companies participated in the 2020 Carbon Sequestration Advisory Group, directed by 2019's SBH 1109. In addition, many of WFPA member companies have experience with forest carbon projects, including projects not located in Washington registered to the California Forest Carbon Protocol. The WFPA has a wealth of experience and knowledge about Washington forests and the role Washington's forests and forest products can play in reducing atmospheric GHGs.

Half of Washington's landscape is covered in forests, making forests, forestry, and forest products easily the largest carbon sink in the state. As the second largest softwood lumber producer in the nation, sustainably managed forests and the production of wood products from Washington's private lands alone offsets 12% of our state's carbon emissions.¹ Washington's forest products industry supports a strong economic base for rural communities, provides more than 101,000 jobs, and is the only business sector that is currently achieving *net negative* carbon emissions. Arguably, our forest products sector is the most impactful, and uniquely Washingtonian, contribution that the state can make towards the global climate solution. This was recognized by the Legislature in 2022 with the passage of HB 2528.

Forest offsets have been recognized as one way to harness the potential of forests and forest products in further reducing atmospheric GHGs. Existing carbon protocols, both compliance and voluntary, have fostered the emergence of a viable and growing forest carbon market, but participation remains

¹ Ganguly, I.; F. Pierobon, and E. Sonne Hall. 2020. Global warming mitigating role of wood products from Washington State's private forests. *In review*. (UW Research) and 2013 emissions = 94.4 MMT CO₂e

low and questions about the credibility of protocols and projects persist. These challenges highlight the need for improvement in marketplace confidence by ensuring high quality carbon outcomes and increasing participation in the marketplace by removing barriers to entry, increasing efficiency, and reducing cost.

We understand the instinct to look south towards California and its existing offset protocols for a starting point in this process; however, caution is warranted when it comes to forestry offsets specifically. Washington has a very different forest landscape, history of forest management, forest ownership portfolio, and underlying regulatory baseline than does California. For forestry offsets to work in Washington, forest offset protocols should reflect Washington's regulatory system and forest conditions. The California model is simply not transferable, in whole cloth, to Washington. The California program has been existence for nearly twenty years. Over that time, there have been some successful carbon offset projects implemented and many lessons learned. The California model should certainly be in the mix, but we urge the Department of Ecology to stretch a little further and develop a diversity of options to consider. For example, the 2008 Climate Action Team Forest Sector Workgroup recommended an "avoided forest conversion through on-site clustering and transfer of development rights" programmatic protocol¹. The 2020 Carbon Sequestration Advisory Team recommended the state further the carbon impacts associated with greater utilization of wood in construction and other applications, including substitution in place of more carbon intensive alternative materials.² In addition, the voluntary carbon market is testing a variety of forest carbon protocols to remove barriers to entry while still maintaining climate integrity. A diversity of approaches will assure that those interested in selling or buying offsets have viable options to lead to real, verifiable, and permanent carbon sequestration and storage.

It's unclear how the offset section of the Climate Commitment Act can operate for our state without a functioning forestry offset program. Relying exclusively on a model designed for a different state's forested landscape will not provide that outcome here. At the very least, the California model would need some reimagining for it to work as intended in Washington. It's plagued by high compliance and monitoring costs, which serve as a significant barrier to participation. It also relies on a different regulatory baseline, so its successes are not easily replicable here. For instance, California landowners can provide offsets for reforestation after a fire salvage. Our state's forest practice rules require reforestation after that event, making that same activity likely ineligible in Washington. Examples like this, where a forest offset pencils out in California, but is ineligible in Washington due to our thorough Forest Practices Rules, extend to items such as harvest size, harvest technique, replating site preparation, and other areas. It also begs the important question with respect to baselines of how to treat the portions of Washington's forest practices rules that were voluntarily developed with landowners. Basically, the California rules were designed for California forests. Washington offset protocol rules needs to be designed for Washington forests.

Another critical difference between California and Washington is the existence of the two statutes connected to the offset section of the Climate Commitment Act: RCW 70A.45.090 and RCW 70A.45.100. These two statutes both recognize the value of an intact forest products sector for carbon sequestration and storage. This difference between the states is more than just on paper. These statutes recognize that Washington's robust forest products industry operates in a carbon negative manner. That is, the carbon sequestered in growing trees and stored in long-lived wood products is greater than all emissions associated with the harvest and manufacturing of the industry. This integration is not

¹ [2008 Climate Advisory Team \(wa.gov\)](https://www.wa.gov), pg 7-10;

² [em_bc_csag_final_report_112020.pdf \(wa.gov\)](https://www.wa.gov)- see Inventories recommendation #5

only critical for our state's carbon portfolio, but also in line with other national and international carbon registries. Simply put, without an intact forest products industry, there is limited carbon value over time in the forest itself. This is a key difference between the states.

Forestry offsets are complicated and technical in nature. **We urge the Department of Ecology to tap a diverse pool of forestry expertise as it moves forward in this rulemaking.** This should include expertise housed in the Department of Natural Resources, their Carbon Sequestration Advisory Committee, as well as in private industry and small forest landowners. The WFPA, as a trade association, is willing to help provide access to forest climate experts. A successful offset rule, defined as rule that will induce participation, will have to anticipate numerous complications. These include appropriate baseline tailoring, credibility in additionality, managing permanence requirements, timing of inventories, how to credit harvested wood products, calculating leakage deductions, accommodating project area changes, the effects of declining wood supply, and barriers to entry such as high compliance costs, unnecessarily large buffer pools, and invalidation protocols. The WFPA, and the forest products industry, stands willing to lend its expertise on these issues as the rulemaking moves forward.

We at the WFPA look forward to engaging with the Department of Ecology through this and future rulemakings associated with the Climate Commitment Act. We believe that a functioning forestry offset program will be critical to full implementation of the Climate Commitment Act and the state's success in meeting its greenhouse gas reduction goals.

Thank you!

Jason Callahan
Director of Government Relations